Dallas City Council Agenda

Monday, May 6, 2013, 7:00 p.m.
Mayor Brian Dalton, Presiding
Dallas City Hall
187 SE Court Street
Dallas, Oregon 97338

All persons addressing the Council will please use the table at the front of the Council. All testimony is electronically recorded. If you wish to speak on any agenda item, please sign in on the provided card.

	ITEM	RECOMMENDED ACTION
1.	ROLL CALL	
2.	PLEDGE OF ALLEGIANCE	
3.	COMMENTS FROM THE AUDIENCE *This time is provided for citizens to comment on municipal issues and any agenda items other than public hearings. The Mayor may place time restrictions on comments. Please supply 14 copies of the material brought to the meeting for distribution.*	
4.	PUBLIC HEARINGS *Public comment will be allowed on items appearing on this portion of the agenda following a brief staff report presenting the item and action requested. The Mayor may limit testimony.*	
5.	CONSENT AGENDA *The following items are considered routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council member so requests, in which case the item will be removed from the Consent Agenda and considered separately.*	
	a. Approve minutes of April 15, 2013, City Council meeting	PG. 3
6.	ITEMS REMOVED FROM CONSENT AGENDA	
7.	REPORTS OR COMMENTS FROM MAYOR and COUNCIL MEMBERS	
	a. General comments from the Council	
	b. Report of the April 22, 2013, Public Works Committee Meeting (Councilor Woods)	PG. 6
	c. Report of the April 22, 2013, Public Safety Committee Meeting (Councilor Jones)	PG. 15
8.	REPORTS FROM CITY MANAGER AND STAFF	
	a. Utility Rate Study & URAC Recommendations	Information PG. 26

Our Vision

Our vision is to foster an environment in which Dallas residents can take advantage of a vital, growing, and diversified community that provides a high quality of life.

Our Mission

The mission of the City of Dallas is to maintain a safe, livable environment by providing open government with effective, efficient, and accountable service delivery.

Our Motto

Commitment to the Community.
People Serving People.

Dallas City Hall is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to the City Manager's Office, 503-831-3502 or TDD 503-623-7355.

	b. Park use by amateur radio group	Motion
	c. OLCC Application for Temporary Use of an Annual License Approval and Request for Street Closure	Motion PG. 94
	d. Other	
9.	FIRST READING OF ORDINANCE	
10.	SECOND READING OF ORDINANCE	
	a. Ordinance No. 1756: An Ordinance amending Dallas City Code Section 7.530, relating to garage sales.	Roll Call Vote PG. 103
11.	RESOLUTIONS	
	a. Resolution No. 3267 - A Resolution establishing the fee for a garage sale permit pursuant to Dallas City Code Section 7.530; and repealing Resolution 3212.	Roll Call Vote PG. 105
	b. Resolution No. 3268 - A Resolution authorizing the transfer of budgetary funds.	Roll Call Vote PG. 107
	c. Resolution No. 3269 - A Resolution establishing a schedule of fees to be paid for certain Public Works Department services and permits; and for sanitary sewer and water connection; and repealing Resolution No. 3171.	Roll Call Vote PG. 109
	d. Resolution No. 3270 - A Resolution amending fees for false fire and police alarm responses; and repealing Resolution 2634.	Roll Call Vote PG. 114
12.	EXECUTIVE SESSION UNDER ORS 192.660(2)(e) To conduct deliberations with persons designated by the governing body to negotiate real property transactions.	
13.	OTHER BUSINESS	
14.	ADJOURNMENT	

Note: Following the Council meeting, there will be a meeting of the Budget Committee to discuss the Public Safety and Public Works-related funds.

The Dallas City Council met in regular session on Monday, April 15, 2013, at 7:00 p.m. in the Council Chambers of City Hall with Mayor Brian Dalton presiding.

ROLL CALL AND PLEDGE OF ALLEGIANCE

Council members present: Council President LaVonne Wilson, Councilor Jim Brown, Councilor Jim Fairchild, Councilor Kelly Gabliks, Councilor Beth Jones, Councilor Jackie Lawson, Councilor Kevin Marshall, Councilor Murray Stewart, and Councilor Ken Woods, Jr.

Also present were: City Manager Ron Foggin, City Attorney Lane Shetterly, Chief of Police John Teague, Fire Chief Bill Hahn, Community Development/Operations Director Jason Locke, Engineering and Environmental Services Director Fred Braun, Finance Director Cecilia Ward, City Recorder Emily Gagner, and Recording Secretary Jeremy Teal.

Mayor Dalton led the Pledge of Allegiance.

COMMENTS FROM THE AUDIENCE

Mayor Dalton asked the audience members to limit their speeches to five minutes.

Lori Johnson, 14599 Forest Hill Dr, Dallas, Oregon, stated she was concerned about the length of time given to acquire a tenant in the proposed vacant building ordinance. She noted the City was scaring people off with some of the requirements outlined in the ordinance. She noted she liked our downtown and would like to see it cleaned up.

Mark Maxwell, 212 Hewlett Lane, Newberg, Oregon, stated the Blue Dolphin Swim Team was celebrating 50 years and presented the City and Council with a plaque commemorating the team's success and thanked the City for their continued support. He noted the team would have an open house Saturday, April 20, 2013 at the Aquatic Center from 2:00 to 4:00 pm.

Catherine Camarena, 998 SW Maple, Dallas, Oregon, stated the speeding on Maple Drive was out of control. She noted that several animals had been killed due to the speeding traffic and she was concerned for the well-being of the neighborhood and the school children on the street. She requested the police do something before a child was hurt or killed.

PUBLIC HEARINGS

There were none.

CONSENT AGENDA

The April 1, 2013, City Council meeting minutes were removed from the consent agenda.

ITEMS REMOVED FROM THE CONSENT AGENDA

April 1, 2013, City Council meeting minutes

Councilor Lawson stated she would like to clarify her statement. She noted that $5 or $8 for a garage sale permit when it was a $3,000 issue was in the context of when she spoke about City Council budgets in the past wanting to take those down to smaller dollars and the response she received at the time were those were small amounts and we don't need to worry about those size dollars.

It was moved by Councilor Gabliks *to approve the minutes as presented.* The motion was duly seconded and carried unanimously.

REPORTS OR COMMENTS FROM THE MAYOR AND COUNCIL MEMBERS

Council President Wilson stated Councilor Woods received a nice compliment from Commissioner Pope concerning MWACT and the work he had done to bring money and roadwork to our City.

REPORTS FROM CITY MANAGER AND STAFF

MARCH FINANCIAL REPORT

Mr. Foggin stated there was one department that had budget issues and would need to be dealt with. Councilor Brown asked where the Ambulance Department was deviating from the budget. Mr. Foggin stated that 75% of the fiscal year was gone, and any number over 75% meant the department had overspent.

Councilor Brown asked if notes could be used in the financial reports to introduce any possible issues. Mr. Foggin stated he would speak with the Finance Department.

OTHER

Mr. Foggin advised that the citizen survey was underway. He noted that questions in the handout he provided them represent the information the City was asking from the citizens. He stated that he didn't have any results to present. He noted that the goal was for 400 completed surveys.

Councilor Brown asked why there was a 6 on the survey. Mr. Foggin noted that was there for when a citizen had no opinion on the subject. Councilor Brown asked who was responsible for the survey. Mr. Foggin responded that he was.

Councilor Marshall asked how long it took to complete the survey. Mr. Foggin responded the average time was twelve minutes.

Councilor Marshall asked if the number of people that refused to take the survey were being tracked. Mr. Foggin stated they were. He noted that the people that didn't finish the survey were tracked as well.

RESOLUTIONS

Resolution No. 3266 – A resolution establishing a schedule of rates for ambulance and emergency medical services and Dallas FireMed; and repealing Resolution 3265 and readopting and repealing Resolution 3219.

Mr. Foggin noted that one of the fees was misstated on the previous resolution and this clarified that.

A roll call vote was taken and Mayor Dalton declared Resolution No. 3266 to have PASSED BY A UNANIMOUS VOTE with Councilor Jim Brown, Councilor Jim Fairchild, Councilor Kelly Gabliks, Councilor Beth Jones, Councilor Jackie Lawson, Councilor Marshall, Councilor Murray Stewart, Council President LaVonne Wilson, and Councilor Ken Woods, Jr. voting YES.

FIRST READING OF ORDINANCE

Ordinance No. 1756 – An ordinance amending Dallas City Code Section 7.530, relating to garage sales.

Councilor Jones stated she believed the City should give people an option to make their own sign and make them follow the City Code. She commented that the City Code stated that signs couldn't be placed in right of way and only on private property and the garage sale signs were not following that code now. She noted that the fee should be large enough to cover the code enforcement officer's time to deal with the handmade signs. She noted that by forcing people into renting a sign the City might end up with non-compliance issues.

Councilor Fairchild stated that citizens were not required to take a sign. He asked if the City would limit the amount of signs that someone could put up.

Councilor Jones noted that according to the City Code, a citizen was allowed one off premise sign to direct people to the sale and one at the sale itself. She stated the signs were to be on private property with permission and out of the right of way. She stated that whether a citizen used the City sign or they made their own sign, they would still be held to the same City Code.

Councilor Lawson noted that she supported Councilor Jones' suggestion. She suggested that once the online bill pay was implemented the permit could be filled out and paid online and that would eliminate staff time.

Councilor Marshall stated he had gotten a lot of feedback concerning the garage sale permit fee and the public felt like the City was nickel and diming them. He commented that he was not concerned about the amount of the permit fee, but the implementation of a fee at all.

Councilor Lawson stated she was concerned about adding additional fees because once a fee was added, then they were incrementally increased often. She asked with the implementation of a permit fee with the sign deposit if citizens would have to write two checks or if staff would have to write a rebate check.

It was moved by Councilor Jones *to remove the ordinance from the agenda and send it back to Administrative committee.* It was seconded by Councilor Lawson.

Councilor Gabliks indicated she wanted the ordinance to stay in the Council and be voted up or down. She commented that she didn't understand why things kept getting sent back to committee.

Councilor Jones noted that some things needed further discussion.

Councilor Brown stated that Councilor Lawson had a good point in the financial side of things. He asked how that transaction would take place.

Mr. Foggin stated the City could hold a credit card number, take a check, or hold cash. Councilor Brown asked if the Finance Department felt that would be a time consuming issue. Ms. Ward stated that it wouldn't.

Councilor Lawson suggested having a fee only for a second garage sale.

It was moved by Councilor Jones *to remove the ordinance from the agenda and send it back to Administrative committee.* It was seconded by Councilor Lawson.

The motion failed by majority vote with Councilor Jim Brown, Councilor Jim Fairchild, Councilor Kelly Gabliks, Councilor Murray Stewart, Council President LaVonne Wilson, and Councilor Ken Woods, Jr. voting NO and Councilor Beth Jones, Councilor Jackie Lawson, and Councilor Marshall voting YES.

Mayor Dalton declared Ordinance No. 1756 to have passed its first reading.

SECOND READING OF ORDINANCE

OTHER BUSINESS

Councilor Fairchild asked to have the police investigate Maple Street for speeding. Mr. Foggin stated he would have the police look into it.

There being no further business, the meeting adjourned at 7:38 p.m.

Read and approved this _____ day of _____ 2013.

_____
Mayor

ATTEST:

_____
City Manager

Members Present: Chair Ken Woods, Jr., Beth Jones, Jackie Lawson, and LaVonne Wilson

Also Present: City Manager Ron Foggin, City Attorney Lane Shetterly, Mayor Brian Dalton, Engineering and Environmental Services Director Fred Braun, Community Development/Operations Director Jason Locke, Fire Chief Bill Hahn, Chief of Police John Teague, Engineering Supervisor Tom Gilson, Finance Director Cecilia Ward, and City Recorder Emily Gagner.

Chair Woods called the meeting to order at 4:00 p.m.

WATER AND SEWER CONNECTION FEES

Mr. Braun reviewed the staff report.

Councilor Lawson stated a $2,000 increase seemed extreme. Mr. Gilson indicated the original fees were too low. He explained many residents were using our crews to install their lines because the cost was so low, adding the City was losing money at the $1,500 fee.

Councilor Lawson asked if homeowners would look at this as a new fee. She also wondered about easement issues of where City property ended and the residents' property began. Mr. Locke explained that the proposed fees were for someone who wanted to connect to the sanitary sewer but didn't already have a lateral. He stated staff looked at what contractors were charging, noting the City was charging a very low rate for a significant amount of work.

Councilor Jones asked if the fee was increasing because of the SDC waiver last year. Mr. Braun explained this had nothing to do with the SDC waiver.

Councilor Woods asked for an explanation of the terminology. Mr. Braun stated inside assessment was where there was already a sewer main present. He noted outside assessment was defined in the code, adding there were some streets where the property owners didn't pay when the main went in, so they have to pay when they hook up to the main. He stated there were only a few such streets, such as Fir Villa.

Councilor Lawson asked what Independence and Monmouth were charging. Mr. Braun stated staff didn't compare their charges because this was for cost recover. Mr. Gilson explained he calculated the fees by taking the material cost and man hours to install the lateral plus a 5% increase. Councilor Lawson asked when the fees were implemented. Mr. Braun responded in the early 2000's.

It was moved by Council President Wilson to *recommend the Council approve a resolution revising the fees for Water, Sewer, and Storm service connections*. The motion was duly seconded and carried unanimously.

WATERS REPORT RECOMMENDATION

Mr. Braun reviewed the staff report.

Councilor Jones asked if the City would condemn and take the property if the private landowners didn't want to sell. Mr. Braun indicated the City could. Mr. Foggin advised that it was important to

note the City was looking at protecting its watershed and water was more important than that person holding the property. He noted if they were caring for the land the way the City would, the Council could decide to leave them alone. Mr. Foggin stated it was an issue for the Council to decide how far they were willing to go to protect the water coming into our system. He indicated the City did have the ability to condemn property for public use of the property, but the City would pay the full value of the property to the owners. He added this would make sure the land stayed pristine and the watershed was protected for as long as Dallas existed as a community.

Councilor Jones asked if anyone was using the property inappropriately. Mr. Braun stated the owners were managing based on the Forest Practices Act, but the report recommended enhancements beyond that. He added anything would be an improvement. Mr. Foggin pointed out that if and when these property owners sold the land to another entity and they started doing inappropriate activity, that was the issue the Council would have to deal with. He commented it might be too late by then.

In response to a question, Mr. Braun stated currently the primary activities in the watershed were logging and road building and right now the land was being well-managed. He advised the property being discussed was about 9,000 acres. Councilor Lawson asked about easements, noting it was suggested once but not included in the staff report. Mr. Braun advised it was a possibility, noting once a plan was developed, that would be more clearly identified. He explained overall, the City could only get 5% to less than 10% of the watershed area for easements. Councilor Lawson commented that if the City purchased the full lot, there would no longer be taxable income. Mr. Braun stated as the land was managed, timber revenues would flow into the county.

Councilor Woods stated he imagined their forefathers looked at the issue in the 1940's. Mr. Foggin pointed out that the longer the property was out there, the more property owners there would be to deal with. In response to a question, Mr. Braun stated in the past two years, that land went from one owner to twelve.

Councilor Lawson asked for a map of the property owners not interested in selling. Mr. Braun stated he could provide a map. Councilor Lawson commented she was not a proponent of condemnation of property, noting there were ways around it. Mr. Foggin advised that if the Council wanted to protect the City's infrastructure, sometimes it was necessary. He added more basic than electricity, clean drinking water was the most precious resource in the community.

Councilor Woods pointed out that when using eminent domain, the property owner got fair market value for the property so they were not losing money. Councilor Lawson commented that they did lose money if the property would have increased in value.

Council President Wilson stated that when Aaron Mercer worked to create the reservoir he was looking at protecting the water and the City for years and years to come. She indicated the Council had an obligation to the community to look that far into the future as well. She advised the Council take a serious look at protecting what could disappear very quickly.

Councilor Woods indicated there were five Councilors not in the current conversation and recommended having another workshop discussion on the topic. Mr. Foggin stated staff could get more information together for the next workshop in May.

Councilor Lawson asked if the subcommittees were something that should continue, adding many topics had fallen apart recently once they got to the full Council. Councilor Jones indicated the sub-committees took more time than if the full Council got together. Mr. Foggin advised the discussion could continue at a workshop with everyone present.

Councilor Woods commented that condemnation was a typical tool all entities used. Mr. Foggin noted he had been involved in property deals where a corporation asked for a condemnation letter because they preferred it.

Councilor Jones asked if staff knew who owned the land, adding she would like to know if it had been in a family for generations. Mr. Braun commented that it was owned by an investment group that purchased the land two years ago, adding it was owned by for-profit organizations.

After discussion, it was the consensus of the committee to discuss the issue with the full Council at the next workshop.

COMMUNITY DEVELOPMENT/OPERATIONS DIRECTOR'S REPORT

Mr. Locke stated his crew was doing basic operations.

ENGINEERING/ENVIRONMENTAL SERVICES DIRECTOR'S REPORT

Mr. Braun reported the annual overlays were out to bid, as was the influent pump replacement at the Water Treatment Plant, noting they would both be awarded in May. He explained the trail project, interceptor rehabilitation project, the Main Street streetscape project, and the Storm Drain Master Plan RFP would be out to bid soon. He stated he had received the latest lead results and they were good and the City was in compliance. He indicated the flashboards at the reservoir were scheduled to be installed in mid-May. Mr. Braun reported that staff would be issuing pretreatment permits in May, adding it was the first year they were implementing the fees for cost recovery. He noted weed abatement would be starting later in the week.

OTHER

There was no other business and the meeting was adjourned at 4:42 p.m.

Public Works Committee

AGENDA

April 22, 2013

4:00 PM

Council Chambers, Dallas City Hall, 187 SE Court St, Dallas, OR 97338

A. Call to Order
B. Water and sewer connection fees
C. WATERS report recommendation
D. Community Development/Operations Director's Report
E. Engineering/Environmental Services Director's Report
F. Other
G. Adjournment

Chair Ken Woods, Jr.
Beth Jones
Jackie Lawson
LaVonne Wilson

DALLAS CITY COUNCIL
PUBLIC WORKS SUBCOMMITTEE REPORT

TO: COUNCIL PUBLIC WORKS SUBCOMMITTEE

City of Dallas	**Agenda Item No. B**	**Topic:** Fees Changes for Water, Sewer & Storm Connections
Prepared By: Tom Gilson	**Meeting Date:** April 22, 2013	**Attachments:** Yes ☐ No ■
Approved By: Ron Foggin		

RECOMMENDED MOTION:

Motion to recommend the Council approve a resolution to revise fees for Water, Sewer and Storm service connections.

BACKGROUND:

Current fees for Water, Sewer and Storm connections were established in October of 2008 per Resolution No. 3171. Due to a continued increase in material costs and changes in construction standards/specifications, staff has recalculated the fees to cover current costs. Staff also recommends indexing the costs to the Portland Regional Area's ENR (Engineering News Record) CCI (Construction Cost Index) so that future adjustments can be made to keep fees in line with actual costs.

Sewer/ Storm Services				
	Current Fees		**Proposed Fees**	
	Lateral	**Main**	**Lateral**	**Main**
Subdivision	No Charge	No Charge	No Charge	No Charge
Inside Assessment Area	$1500	No Charge	$3500	No Charge
Outside Assessment Area	$1500	$1700	$3500	Cost +15%

Water Services				
	Current Fees		**Proposed Fees**	
	¾"	**1"**	**¾"**	**1"**
Subdivision	$350	$500	$475	$650
Inside Assessment Area	$950	$1100	$1100	$1275
Outside Assessment Area	$3600	$3650	$4800	$4975
Connection over 1"	Actual Cost +15%		Actual Cost +15%	

FISCAL IMPACT:
Cost Recovery

ATTACHMENTS:
None

DALLAS CITY COUNCIL SUBCOMMITTEE
REPORT

TO: COUNCIL SUBCOMMITTEE

City of Dallas	**Agenda Item No.**	**Topic:** WATERS Study Recommendations
Prepared By: F Braun	**Meeting Date:**	**Attachments:** Yes ☒ No
Approved By:	April 22, 2013	

RECOMMENDED MOTION:

Forward recommendation(s) to the City Council regarding Rickreall Watershed Management Strategies Assessment Project Summary Report (WATERS) presented during at the April 8 City Council Workshop.

BACKGROUND:

At the 4-8-13 City Council Workshop, Staff presented the results of the Waters Report Study that was commissioned by the City in 2010. Several important findings and recommendations were briefly discussed, including:

- **Development of a Forest Management & Watershed Protection Plan (FMWPP).**
  This would be the first step in the development of a comprehensive strategy to manage the resources and uses within the study area. It would require cooperation from the various landowners. The plan could also identify the various funding sources for purchase of conservation easements and wildlife corridors. The cost of a comprehensive plan would be approximately $120,000 to $150,000. The study is not included in the City's proposed FY 2013-14 budget, nor is it listed as a capital improvement project.

- **Recreational Opportunities**
  After development of the FMWPP, the various identified appropriate recreational uses could be explored. The City could partner with the landowners and identified interest groups to enhance and/or develop appropriate recreational uses. The costs of this option are highly variable, and dependent upon the options selected, but could range from tens of thousands to many hundreds of thousands of dollars.

- **Education Opportunities**
  The City could partner with the landowners and school district and other educational interests to establish and develop educational opportunities within the watershed for students and other community members. Some examples of the topics could include forest management practices, habitat protection, wildlife identification and protection, non-native plant identification and removal, wildfire protection, the water cycle, and watershed hydraulics. The costs of this option would range from a few thousand to several tens of thousands of dollars.

- **Roads and Road Management**
  After development of the FMWPP, the various identified road management strategies could be explored. The City could partner with the landowners to enhance and improve the existing road system. The costs of this option are highly variable, and dependent upon the options selected, but could range from tens of thousands to many hundreds of thousands of dollars.

- **Forested Riparian Buffers**
  After development of the FMWPP, the various additional forested riparian buffer areas could be identified for purchase. The City could partner with the landowners and identified special interest groups to purchase and preserve the specified areas. The costs of this option are highly variable, and dependent upon the areas selected, but could range from tens of thousands to several hundreds of thousands of dollars. It is likely that grants could be secured for a majority of the purchase cost.

- **Fallow Openings & Planted Food Plots**
  After development of the FMWPP, the various areas suitable for fallow openings and planted food plots could be identified. The City could partner with the landowners and identified special interest groups to establish and maintain the specified areas. This effort could be integrated with educational opportunities in order to maximize interest and keep maintenance costs low. The costs of this option are highly variable, and dependent upon the areas selected, but could range from a few thousand to several tens of thousands of dollars, plus minor on-going maintenance.

- **Economic Considerations**
  Aside from the development of a FMWPP, the City could decide to purchase the watershed areas that are privately owned. Since not all of the owners are willing to sell, this option would require condemnation in order to secure the land. The total purchase price of the land would be approximately $14 Million. The purchase price could be financed with a bond. Bond payments could be offset by revenues from timber harvest. Attached are two purchase scenarios. The first is a worst-case scenario, based upon a high land cost, high maintenance costs, and a low timber commodity price. The second scenario is based upon the current commodity price for timber, a high land cost and intermediate maintenance costs.

FISCAL IMPACT:

Dependent upon recommendation(s) selected.

ATTACHMENTS:

Excel Purchase Scenarios (2)
*Rickreall Watershed Management Strategies Assessment Project Summary Report
*Powerpoint Presentation for 4-8-13 City Council Workshop

* Items were handed out at the April 8, 2013 workshop. Please bring your copy with you to the meeting.

Dallas Source Water Protection

Forest Capital Timberland Acquisition in Upper Rickreall Watershed

Price Assumptions are made based on 10 year averages to balance the highs and lows associated with the recent economic climate.....

(Estimates from aerial photos, knowledge of coast range cruises, not based on official data)

Conservative Assumptions

Non-productive timberland includes roads and stream buffer acres.

Price Per Acre:		**Acres In Project Area:**	
Productive Timberland	$2,000	Productive Timberland	5676
Non-Productive Timberland	$500	Non-Productive Timberl:	3325

Price Per MBF:	Estimated 90% Douglas fir and 10% Other Species
Douglas Fir	$526
Other Species	$317

Management Per Year:	Includes 1/2 time forester, supplies, materials, maintenance, etc.
Yearly Cost	$150,000

Harvest Costs		**Average Stocking**	
Average Per MBF	$185	MBF an acre	18.5
Rotation		**Thinning Rotation**	
Years	40	Years	30

	Taxes - 2009 Rates		
Harvest Tax (MBF)	$3.8956	Property Tax (Acre)	$3.40

Income Potential Per Year

MBF Harvested	Net From Log Sales	Cost of Harvest	Management Costs	Incidentals	ODF Fire Protection
3500.2	$1,766,505	($647,537)	($150,000)	($35,330)	($8,101)

Gross Annual Profit Potential (without land payments)	**Taxes**
$881,299	($44,238.78)

Total Purchase Price
$13,014,500

Municipal Bond

Principal	$13,164,500	**Principal = Total purchase price of land and 1st year operating costs**
Interest Rate	4%	
Years	15	
Bond Payment	**($1,184,030)**	

Potential Annual Profit or (Loss)
-$302,731

Dallas Source Water Protection
Forest Capitol Timberland Acquisition in Upper Rickreall Watershed

2013 Assumptions

Assumptions

Non-productive timberland includes roads and stream buffer acres.

Price Per Acre:		**Acres In Project Area**	
Productive Timberland	$2,200	Productive Timberland	5676
Non-Productive Timberland	$600	Non-Productive Timberland	3325

Price Per MBF:	Estimated 90% Douglas fir and 10% Other Species
Douglas Fir	$900
Other Species	$400

Management Per Year	cludes 1/2 time forester, supplies, materials, maintenance, et
Yearly Cost	$120,000

Harvest Costs		**Average Stocking**	
Average Per MBF	$140	MBF an acre	22

Rotation		**Thinning Rotation**	
Years	40	Years	30

Taxes - 2009 Rates

Harvest Tax (MBF)	$3.8956	Property Tax (Acre)	$3.40

Income Potential Per Year

MBF Harvested	**Net From Log Sales**	**Cost of Harvest**	**Management Costs**	**Incidentals**	**ODF Fire Protection**	**Taxes**
4162.4	$3,538,040	($582,736)	($120,000)	($70,761)	($8,101)	($46,818.45)

Gross Profit
$2,709,624

Total Purchase Price
$14,482,200

Municipal Bond

Principal	$14,602,200	icipal = Total purchase price of land and 1st year operating c
Interest Rate	3%	
Years	15	
Bond Payment	($1,223,176)	

Potential Annual Profit or Loss
$1,486,447

PUBLIC SAFETY COMMITTEE
Monday, April 22, 2013

Members Present: Chair Beth Jones, Jackie Lawson, LaVonne Wilson, and Ken Woods, Jr.

Also Present: City Manager Ron Foggin, City Attorney Teresa Ozias, Mayor Brian Dalton, Chief of Police John Teague, Fire Chief Bill Hahn, Finance Director Cecilia Ward, and City Recorder Emily Gagner.

Chair Jones called the meeting to order at 4:42 p.m.

FALSE FIRE ALARM ORDINANCE

Chief Hahn reviewed the staff report. He explained there was already a Code that allowed false alarm fees, but the fees were never adopted for fire department response. He noted the TTM building and Ellendale Home For Seniors had each had four false alarms already this year. Chief Hahn reviewed the theory behind the ordinance, which was that the first two times in a year it was a free response and hopefully once charged for the third response, a business or resident would realize it was cheaper to correct the alarm through the alarm company than have the fire department respond. He explained the residential false alarms were increasing because more and more elderly residents were purchasing the notification buttons that are worn around the neck. He indicated the alarm company called the machine every day and if someone was gone but forgot to push the "away" button, the alarm company dispatched the ambulance. He added if the house was locked upon the EMS staff's arrival, they had to call the police to get in the door.

Chief Hahn indicated at first glance, it may seem harsh, but by the third false alarm, the city needed to get their attention. He added the false alarm issues could be easily resolved by a phone call to the alarm company.

Councilor Lawson asked why there was a disparity in the fee between residential and commercial responses. Chief Hahn explained he wanted to curb the number of times his staff were called to a residential home, but he wasn't out to impact them. He noted many commercial businesses required a larger response to the false alarms.

Councilor Lawson asked if the proposed fees were per offense for both fire and police response, or if each department would charge the fee. Chief Hahn stated they would use the same fee schedule, but each department would charge if they were required to respond.

Chief Teague indicated the distress alarms were a new phenomenon and were remarkably time consuming. He noted entry alarms into businesses could be very time consuming based on the size of the facility, adding they were a problem for the police as well.

Mr. Foggin explained one reason there was a different rate for residential versus commercial responses was because many more businesses had an alarm system and were less likely to maintain them properly.

In response to questions from the committee members, Chief Hahn explained the code clearly defined a false alarm.

Councilor Lawson asked if the twelve months was based on a calendar year or if it rolled forward from the first false alarm. Chief Hahn stated it was based from the first alarm.

It was moved by Councilor Lawson to recommend the Council adopt the proposed fees for false alarm response. The motion was duly seconded and carried unanimously.

POLICE CHIEF'S REPORT

Chief Teague passed out and reviewed a document of his analysis of the citizen survey results as they related to the police department.

Chief Teague reported that 2012 was the first year the department kept track of verbal warnings, noting his officers were warning people two-thirds of the time.

Chief Teague explained his department had ramped up their means of assessing how they were doing in the community with a card and call system. He noted the program was on a back burner since they lost a half-time position, but he would try to get it back in the next couple years.

FIRE CHIEF'S REPORT

Chief Hahn reported one of the EMS paramedic shift lieutenants had resigned and staff was in the process of rating the candidates that had just completed an assessment center earlier in the day.

OTHER

There was no other business and the meeting was adjourned at 5:06 p.m.

Public Safety Committee

AGENDA

April 22, 2013

4:00 PM

Council Chambers, Dallas City Hall, 187 SE Court St, Dallas, OR 97338

A. Call to Order
B. False fire alarm ordinance
C. Chief of Police's Report
D. Fire Chief's Report
E. Other
F. Adjournment

Chair Beth Jones
Jackie Lawson
LaVonne Wilson
Ken Woods, Jr.

DALLAS CITY COUNCIL
PUBLIC SAFETY SUBCOMMITTEE REPORT

TO: COUNCIL ADMINISTRATIVE SUBCOMMITTEE

City of Dallas	**Agenda Item No. B**	**Topic:** False Fire Alarm Ordinance
Prepared By: Bill Hahn, Fire Chief	**Meeting Date:** April 22, 2013	**Attachments:** Yes ■ No ☐
Approved By: Ron Foggin		

RECOMMENDED MOTION:

Request that the Dallas City Council adopt the following fee structure to be imposed on businesses or residences that continue to create false alarm responses through the failure to correct the problem related to the alarm system within their business or residence.

BACKGROUND:

Dallas City Code 5.257 Alarm Response Fee is an adopted City Code that addresses false alarms received by the Police, Fire & EMS departments. As more and more businesses and residents install alarm systems, we have begun to receive more incidences of equipment or system failure. We have in the past been very tolerant of these incidents, however as we are now having more issues, we feel the problem needs to be addressed. It is not our goal to be unsympathetic to the use of equipment for notification of true alarms. We therefore would like the Council to accept a sliding scale to respond to the increasing problem. We propose that the first two incidents be addressed by contacting the business or residence to correct the problem and no fee would be assessed for these situations. Upon a business or residence creating a third response to a false call, they would be charged a fee of $ 50.00 for residential and $250.00 for businesses. This fee would increase on the fourth false alarm incident to $100.00 for residential and $500.00 for businesses. Subsequently, the fifth and all continuing responses would result in a fee of $150.00 for residential and $1,000.00 for businesses. This action will be based on a 12-month period. A business or residents will need to be free of any false calls for a 12-month period in order to have the fee reduced.

FISCAL IMPACT:

The reduction in false alarms will save money for Police, Fire, and EMS in the time necessary to assure these are not true incidents, thus creating a trust in the accuracy of these reporting systems.

ATTACHMENTS:

Copy of the current City Code # 5.257 Alarm Response Fee
Attached are sample fee structures used by other jurisdictions
Proposed Chart of our Charges

5.257 Alarm Response Fee.

(1) Definitions. As used in this section, the following definitions shall apply:

(a) Alarm means any mechanical or electrical device or assembly of equipment, designed or arranged to signal the occurrence of an illegal entry, fire or other activity requiring urgent attention and to which the police and/or fire department are expected to respond.

(b) Alarm user means any person, firm, partnership or corporation of any kind in control of any building, premises, structure or facility upon which an alarm is maintained.

(c) False alarm means an alarm signal to which the city police and/or fire department respond with any emergency service personnel or equip ment when a situation requiring a response by the police and/or fire department does not in fact exist and which signal is caused by the inadver tence, negligence, or intentional act or omission of an alarm user, or a mal function of the alarm. The following shall not be considered false alarms:

(i) Alarms caused by the testing, repair or malfunction of telephone or electric utility equipment or lines, where the city has been notified in advance of said testing or repairing.

(ii) Alarms caused by an act of God, including earthquakes, floods, windstorms, thunder or lightning.

(iii) Alarms caused by an at tempted illegal entry of which there is visible evidence.

(2) Fees.

(a) Alarm users shall pay a fee for a third and each subsequent false alarm response by the city police or fire department during any twelve-month period according to a fee schedule established by resolution of the city council.

(b) An alarm response and/or the additional costs charged under subsection (3) herein, may be reduced or eliminated, in the sole discretion of the city manager, if the alarm user provides satisfactory evidence that each component of the alarm system whose malfunction or failure is capable of producing the false alarm has been repaired or replaced by a qualified technician, and the system has been found to be free of apparent fault after inspection by the technician.

(3) Customer Response Time. The city manager, at his or her discretion, is hereby

authorized to charge, in addition to, and only if a false alarm fee is charged, the actual costs incurred by the city for all time spent by the police and/or fire department at the premises where the false alarm occurred fifteen minutes after notification, or attempted notification, of the owner or authorized representative of the premises.

(4) Loss of Service. Upon a showing of more than eight (8) false alarms during a twelvemonth period, or more than four (4) false alarms during any thirty-day period or refusal to pay false alarm fees (including costs charged under subsection (3) herein), the city manager may elect, upon written notice to the alarm user, to discontinue alarm response service by the city.

[Section 5.257 added by Ordinance No. 1512, passed November 6, 1995.]

Keizer		
False Alarms	Repeated false alarm activations of either detection and/or suppression systems that result in more than 3 responses in a calendar year may result in a fee being charged to the building/facility owner or operator.	$150.00 per occurrence
Malicious Alarms	Malicious and/or false incidents reported to 911 resulting in a response by the fire department due to the intentional acts of a person or group of persons. A fee to recover any/all expenses may be assessed and/or requested in the form of restitution by made by the person or persons responsible.	$150.00 per occurrence
Salem		
False or Malicious Alarms	Per Ordinance No. 2007-7 an alarm user whose alarm system generates more than three (3) false alarms per calendar year shall be charged a False Alarm Fee. Each false alarm after the first three (3) is a separate offense. Failure to comply with this ordinance shall be subject to a fee of One Hundred Fifty dollars ($150.00) per occurrence.	$150.00 per occurrence

Within any twelve – month period	Residential	Commercial
First and Second false alarm	no charge	no charge
Third false alarm	$ 50.00	$ 250.00
Fourth false alarm	$ 100.00	$ 500.00
Fifth and all subsequent false alarms	$ 150.00	$ 1000.00

LAKE OSWEGO FIRE DEPARTMENT

Security Alarm Code Violation Fines (LOC 20.08.612)

Fines for excessive false alarms in a permit year shall be as follows:

Third false alarm in any year $100
Fourth false alarm in any year $ 125
Fifth false alarm in any year $ 175
Sixth false alarm in any year $ 275
Seventh and succeeding false alarms in any year $ 425

Fine for failure to obtain alarm permit $ 100
Fine for failure to provide monthly updates $ 500

Gert Zoutendijk, Deputy Fire Marshal
Lake Oswego Fire Department
P.O. Box 369
Lake Oswego, OR 97034
(503) 699-7454

Dallas Community Survey 2013 for the Dallas Police Department

Of respondents rating better-than-average (4) or excellent (5):

4. 64% for Police Crime Prevention (18% N/A)

   This number is at risk due to the lay-off of our crime prevention specialist.

5. 61% for Police Emergency Response Times (32% N/A)

   Except when it is not possible, we contact all complainants within 30 minutes of their call, even if only to advise of a delay.

6. 63% for Police Enforcement of Traffic Violations (27% N/A)

   This number doesn't mean much at the moment but establishes a baseline.

---

7. 62% for Dog Control Services (25% N/A)

   This number doesn't mean much at the moment but establishes a baseline.

---

24. 82% for Confidence in Police Officers Generally, Not Just Dallas Officers (3% N/A)

   This question establishes a intra-survey baseline for question 25.

25. 82% for Confidence in Dallas Police Officers (1% N/A)

   From question 24 to 25, 10% of respondents moved from better-than-average to excellent.

---

28. 94% for Dallas is a Good Place to Live (<1% N/A)

   Questions 28 through 32 and question 40 are especially meaningful in that they are a measurement of the desired outcome of residents' perception of public safety in Dallas.

29. 95% for Overall, I Feel Safe Living in Dallas and My Neighborhood (<1% N/A)

30. 68% for I Feel Safe Having My Children Walk to School (32% N/A)

   It's interesting that this number is close to the assessments of police activities in questions 4, 5, and 6. People feel a certain uneasiness about the children's safety, so it will be interesting to observe this baseline number and its movement in relation to questions 4 through 6.

31. 98% for I Feel Safe Walking Down My Street During the Day (0% N/A)

32. 82% for I Feel Safe Walking Down My Street During the Night (2% N/A)

40. 85% for City Parks and Trails are Safe (0% N/A)

---

64. 1.2% for Contacted the Police and Were Dissatisfied

400 respondents x (.30 who contacted the City in Q. 47) x (26% who contacted someone specifically at the Police Department in Q. 64) x (15% who rated the response 1 or 2 in Q. 48) = 4.68 respondents or 4.68/400 = 1.117%

DALLAS CITY COUNCIL
REPORT

TO: MAYOR BRIAN DALTON AND CITY COUNCIL

City of Dallas	**Agenda Item No.**	**Topic:** Utility Rate Study and URAC Recommendations
Prepared By: F. Braun	**Meeting Date:**	**Attachments:** Yes ☒ No ☐
Approved By:	May 6, 2013	

RECOMMENDED MOTION:

Accept Information.

BACKGROUND:

In response to community concerns, the City Council commissioned a utility rate and fee study in 2012. The City issued a request for proposals (RFP), and based upon a competitive process, the contract was awarded to Donovan Associates.

The overall goal of the study was to independently assess and evaluate the City's existing water delivery and sewer service cost structure and provide a new 10-year plan with rates and guidelines. The broad objective of the study was to adequately fund water and sewer utility operations and infrastructure costs and promote conservation, while minimizing rates to the greatest degree possible. The study also includes a discussion of the operation and maintenance of the Storm Drainage System and a review of existing Systems Development Charges (SDC's) for Sewer, Water and Storm Drainage.

In order to further public participation in the process, City Council authorized establishment of a Citizen's Advisory Committee. After a considerable solicitation process, Committee members were appointed in December 2012. Committee meetings were held in January, February and March 2013, to review the analysis and draft Study.

Attached is a copy of the final study for your information. A representative from Donovan Associates is here to answer any questions. A few of the key findings noted by Staff include:

- The Utilities are adequately funded for present-day operation. Other than the normal CPI adjustments, no other rate increases are necessary.
- Although the total revenue from rates is adequate, the way that the City's rates are set up is dysfunctional, and will result in significant future rate increases.
- Residential **irrigation** usage results in very high "peaking" within the community. (peaking is the highest water usage compared to the average). Dallas has some of the highest peaking rates in Oregon.

- Left unchecked, this peaking will result in a significant future rate increase in order to fund water system improvements. The following Capital Improvement Projects would be needed within the next 15 years in order to address peaking:

    - Upgrade of Water Treatment Plant $ 9,000,000
    - Upsize West Ellendale Transmission Line $ 3,000,000

  Neither of the above projects is on the current CIP list.

- If the peaking can be addressed, then the above capital improvements could be deferred by more than 25 years.

- A contributory cause of the peaking is the summer "declining block" water rate structure.

- Commercial peaking is much less than residential. Commercial rates could be lower based upon less "stress" induced into the system. Low commercial rates could be a driver for economic development.

- The City does not have an emergency rate structure for drought conditions.

- Residential sewer revenues are the same each month, regardless of water usage, because residential sewer rates are flat rated.

- Commercial sewer revenues are the same each month because all commercial bills are based on each customer's respective water average water consumption.

- Commercial rates are the same, regardless of what is put down the drain.

- The storm drainage costs are currently paid through the sewer fund.

- The City does not currently have a storm drainage master plan.

- SDC methodologies have not been reviewed/updated for many years.

- The current SDCs do not include reimbursement fees.

As the report is quite technical, and contains a lot of information, Staff recommends scheduling a future workshop (or City Council Meeting) to discuss the report and findings in detail. This would give the City Council, and interested public, adequate time to review the report.

The Chairperson of the Utility Rate Advisory Committee (URAC) is present to make the Committee's report and recommendations regarding the Study. Staff concurs with the Committee recommendations.

FISCAL IMPACTS:

Potential increase in Systems Development Charge (SDC) Revenues.
Any utility rate adjustments will be revenue neutral.

ATTACHMENTS:

City of Dallas Water and Wastewater Rate Study Final Report – April 1, 2013

Utilities Rate Study and SDC Methodology Update

April

2013

Prepared for:

THE CITY OF DALLAS OREGON

187 Court Street
Dallas, Oregon 97338
☎ 503.623.2338
www.ci.dallas.or.us

Presented by:

DONOVAN enterprises, inc.

9600 SW Oak Street, Suite 335
Tigard, Oregon 97223-6596
☎ 503.517.0671
www.donovan-enterprises.com

Printed on Recycled Paper

Utilities Rate Study and SDC Methodology Update

Table of Contents

Executive Summary 1
Analysis Section 7
Water Rates 7
Analysis of Water System Revenue Requirements 7
Revenue Requirements Forecast & Results 10
Existing Water Rates and URAC Recommended Policy Changes 11
Drought and Conservation Based Rates 14
Wastewater Rates 18
Analysis of Wastewater System Revenue Requirements 18
Revenue Requirements Forecast & Results 20
Existing Wastewater Rates and URAC Recommended Policy Changes 22
Modification to Commercial and Industrial Wastewater Rate Categories 22
Stormwater Management 26
Existing Conditions and Funding Sources 26
URAC Recommendation to the City Council 26
System Development Charges 27
Introduction 27
SDC Legal Authorization 28
SDC Methodology 28
Reimbursement Fee Methodology 29
Improvement Fee Methodology 31
Methodology for the Granting of Credits, Exemptions, Discounts, and Indexing 34
SDC Credits Policy 34
Partial and Full SDC Exemptions Policy 35
SDC Discount Policy 35
Policy to Adjust SDCs for Inflation 35
SDC Methodology Conclusions and Recommendations 35
Rate Study Conclusions and Recommendations 37
Neighboring Communities' Utility Rates and SDCs 38
Appendix A – Water Rate Model Output Tables 40
Appendix B – Wastewater Rate Model Output Tables 47
Appendix C – SDC Models Output Tables 54

Executive Summary

Dallas is the sole provider of water, wastewater and stormwater management services to customers within the urban services boundary of the City. Revenues required to fund the delivery of these services are obtained from monthly user fees which are set by the City Council via its City charter authority. This study addresses the revenue required from rates needed to support future operations and maintenance costs for the utilities along with a funding plan for capital needs identified in the City's water and wastewater master plans. In addition to analyzing utility rates, this study updated the methodologies used by the City for the calculation of System Development Charges (SDC) for the three utility services.

With the active involvement of City staff, and input from the Utility Rate Advisory Committee (URAC), twenty year planning models were developed for this project; however, the focus for the rate study is the five year near-term forecast of fiscal 2014 through fiscal 2018. These financial models have been reviewed with the City as they were developed and will be provided to Dallas as a project deliverable enabling the City to make future updates.

The purpose of this study is to develop a cost of service-based methodology that will accurately determine the cost the city incurs to deliver water, wastewater, and stormwater management services. The models developed for this project have been populated with budget data for fiscal 2013, along with actuals for fiscal 2010, 2011, and 2012. During the first three months of 2013, the project team presented multiple utility rate and SDC scenarios to the URAC for their consideration. These model runs simulated the current service levels (CSL) of the utilities, and sensitivity cases for a number of funding issues facing the City's utilities. The results of each model run were expressed in terms of the rate impacts on the average single family residential customer's monthly bill for utility services, and in the case of SDCs, the impact on a newly constructed single family residence. Over the near-tem five year forecast horizon, water system revenue requirements are projected to rise by an average of 3.31% per year. Wastewater system revenue requirements (including costs assigned to stormwater management) are projected to increase by an average of 2.89% per year over this same timeframe. Finally, based on updates to the SDC methodologies for water, wastewater, and stormwater, the analysis indicates the City is justified in raising the total SDC charge for all three services from the current rate of $8,398 to $10,489 (for a single family residential home).

The URAC prioritized its funding needs and, by consensus, arrived at the preferred alternative water and wastewater rate and SDC schedules shown below in tables 1, 2, and 3:

Table 1 - Five Year Forecast of Water Rates

City of Dallas, Oregn
Water System Rate Study Update 2012
Proposed Schedule of Water Rates

Line Item Description	Budget 2013	Forecast 2014	2015	2016	2017	2018
Inside City:						
Base charge (monthly)	$ 15.7536	$ 16.1377	$ 16.5438	$ 16.9241	$ 17.2987	$ 17.6202
Use (commodity) charge						
Residential						
Base	1.0022	1.0352	1.0697	1.1057	1.1432	1.1825
Extra capacity - maximum day	0.5624	0.5803	0.5989	0.6183	0.6385	0.6596
Extra capacity - maximum hour	0.1080	0.1107	0.1135	0.1163	0.1192	0.1222
Total	1.6726	1.7262	1.7820	1.8403	1.9009	1.9643
Commercial/Industrial:						
Base	1.0022	1.0352	1.0697	1.1057	1.1432	1.1825
Extra capacity - maximum day	0.2218	0.2288	0.2362	0.2438	0.2518	0.2601
Extra capacity - maximum hour	0.0728	0.0746	0.0765	0.0784	0.0803	0.0823
Total	1.2967	1.3387	1.3823	1.4279	1.4754	1.5249
Wholesale:						
Base	N/A	N/A	N/A	N/A	N/A	N/A
Extra capacity - maximum day	N/A	N/A	N/A	N/A	N/A	N/A
Extra capacity - maximum hour	N/A	N/A	N/A	N/A	N/A	N/A
Total	-	-	-	-	-	-
Outside City:						
Base charge (monthly)	$ 31.51	$ 32.28	$ 33.09	$ 33.85	$ 34.60	$ 35.24
Use (commodity) charge						
Residential:						
Base	1.5032	1.5528	1.6045	1.6585	1.7149	1.7738
Extra capacity - maximum day	0.8436	0.8704	0.8983	0.9274	0.9578	0.9894
Extra capacity - maximum hour	0.1621	0.1661	0.1702	0.1745	0.1788	0.1832
Total	2.5088	2.5893	2.6731	2.7604	2.8514	2.9464
Commercial/Industrial:						
Base	1.5032	1.5528	1.6045	1.6585	1.7149	1.7738
Extra capacity - maximum day	0.3327	0.3433	0.3543	0.3658	0.3777	0.3902
Extra capacity - maximum hour	0.1092	0.1119	0.1147	0.1176	0.1205	0.1235
Total	1.9451	2.0080	2.0735	2.1418	2.2131	2.2874

Table 2 - Five Year Forecast of Wastewater Rates

City of Dallas, Oregon
Wastewater Rate Study Update - 2013
Schedule of Current and Recommended Wastewater Rates

Line Item Description	Budget 2013	Forecast 2014	2015	2016	2017	2018
Consumption Based Rates:						
Customer Account Service (BASE) Charges:						
Inside City monthly	$ 34.61247	$ 35.39017	$ 37.84435	$ 39.29063	$ 39.85826	$ 40.39729
Commodity (USE) Charges:						
Single Family Residential						
Sanitary flow and I&I	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
Strength - BOD	0.13557	0.13927	0.11153	0.10377	0.11387	0.12421
Strength - TSS	0.13550	0.13919	0.11147	0.10371	0.11381	0.12414
Total - $/Ccf	$ 0.89904	$ 0.92334	$ 0.75845	$ 0.71388	$ 0.77691	$ 0.84141
Multi-Family						
Sanitary flow and I&I	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
Strength - BOD	0.13557	0.13927	0.11153	0.10377	0.11387	0.12421
Strength - TSS	0.13550	0.13919	0.11147	0.10371	0.11381	0.12414
Total - $/Ccf	$ 0.89904	$ 0.92334	$ 0.75845	$ 0.71388	$ 0.77691	$ 0.84141
Commercial I						
Sanitary flow and I&I	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
Strength - BOD	0.13557	0.13927	0.11153	0.10377	0.11387	0.12421
Strength - TSS	0.13550	0.13919	0.11147	0.10371	0.11381	0.12414
Total - $/Ccf	$ 0.89904	$ 0.92334	$ 0.75845	$ 0.71388	$ 0.77691	$ 0.84141
Commercial II						
Sanitary flow and I&I	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
Strength - BOD	0.16947	0.17409	0.13941	0.12971	0.14234	0.15526
Strength - TSS	0.16938	0.17399	0.13934	0.12964	0.14226	0.15517
Total - $/Ccf	$ 0.96680	$ 0.99296	$ 0.81420	$ 0.76575	$ 0.83383	$ 0.90350
Commercial III						
Sanitary flow and I&I	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
Strength - BOD	0.20336	0.20890	0.15565	0.15565	0.17080	0.18631
Strength - TSS	0.20325	0.20879	0.15557	0.15557	0.17071	0.18621
Total - $/Ccf	$ 1.03457	$ 1.06258	$ 0.84667	$ 0.81762	$ 0.89075	$ 0.96558
High Strength						
Sanitary flow and I&I - $/Ccf	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
BOD - $/lb	0.23725	0.24372	0.19518	0.18160	0.19927	0.21736
TSS - $/lb	0.23713	0.24359	0.19507	0.18150	0.19916	0.21724
Total - $/Ccf	$ 1.10234	$ 1.13219	$ 0.92570	$ 0.86949	$ 0.94767	$ 1.02767
Flat Monthly Rates:						
Single Family Residential flat rate:						
BASE charge	$ 34.61	$ 35.39	$ 37.84	$ 39.29	$ 39.86	$ 40.40
USE charge	6.29	6.46	5.31	5.00	5.44	5.89
Total - $/account/month	$ 40.91	$ 41.85	$ 43.15	$ 44.29	$ 45.30	$ 46.29

Note: High strength customers that contribute wastewater that exceed a strength threshold of 350 mg/l BOD or 350 mg/l TSS will be charged based on their actual flow and load.

Table 3 - Recommended Schedule of Water, Wastewater, and Stormwater SDCs for Single Family Residential Customers

City of Dallas
Comparison of Current and Proposed Residential SDCs by Fee Type
Per Equivalent Dwelling Unit

	Reimbursement	Improvement	Total
Proposed:			
Water	1,154	2,973	4,127
Wastewater	1,495	3,792	5,287
Stormwater	9	1,066	1,075
Total proposed	$ 2,658	$ 7,831	$ 10,489
Current:			
Water	-	3,752	3,752
Wastewater	-	3,834	3,834
Stormwater	-	812	812
Total current	$ -	$ 8,398	$ 8,398
Difference:			
Water	1,154	(779)	375
Wastewater	1,495	(42)	1,453
Stormwater	9	254	263
Difference	$ 2,658	$ (567)	$ 2,091

The schedules of utility rates and SDCs shown above were developed through consultation with City staff and the members of the URAC. A number of specific policy recommendations were developed through this collaboration, and are briefly discussed in this executive summary. At their third meeting on March 28, 2013, the URAC developed a list of utility rate and SDC policy recommendations for City Council consideration. Itemized below is a listing of these policy recommendations.

- Treatment of the estimated $114,000 in uncollectable/past due utility billings – Over many years, the City has accumulated a utilities (water and wastewater) uncollectables balance that has reached $114,000 by March, 2013. The URAC is aware of this uncollectables balance and recommends the following to the City Council for their consideration and action:
  - ✓ Do not raise rates now to recover the $114k in uncollectables/past due billings. The one time rate spikes is not necessary
  - ✓ Implement business policies to reduce the risk of uncollectables in the future
  - ✓ Develop a business policy on bad debt charge-offs
- Water rate structure – The City's current water rate structure encourages customers to use more water by reducing the unit price as water is consumed. This rate structure is called "declining block". The URAC spent considerable time analyzing and discussing the merits of this rate policy, and is recommending the City move away from this rate structure. The specific URAC recommendations to the Council for an alternative water rate structure are:

- ✓ Eliminate the current split season, declining block water rate structure
- ✓ Continue to have a monthly base fee that does not vary by meter size
- ✓ Replace the split season, declining block commodity rates with a uniform average commodity rate that remains constant across the entire range of water consumption regardless of season.
- ✓ Establish differentiated uniform commodity rates for residential and commercial customer classes. These differentiated commodity rates are based on each class's respective contribution to peak day demand. The estimated commodity rates for FY14 are:
  - ❖ Residential - $1.7262 per Ccf
  - ❖ Commercial - $1.3387 per Ccf
- ✓ Establish a policy on the development of industrial water rates that is flexible and will allow the City to attract and retain an industrial customer base

- Wastewater rate structure – The City's current wastewater rate structure conforms to industry norms, but needs some modifications for rate equity and to better facilitate the City's management of the types and strengths of discharges that enter the wastewater system. Accordingly, the URAC recommended that the City consider the following wastewater rate revisions:
  - ✓ Move commercial and multifamily wastewater customers off of the "winter average" method of estimating flows to the wastewater system; and replace it with actual monthly metered water consumption for each respective commercial and multifamily customer.
  - ✓ Modify the current commercial customer class, to include low, medium, and high strength sub classes.
  - ✓ Create a new industrial extra strength customer class
- Stormwater management – Currently, stormwater management operations are funded from wastewater rates and some capital needs through stormwater SDCs. The URAC spent time discussing the merits of developing a dedicated funding source for stormwater work through the creation of a stormwater utility. The Committee agreed that stormwater costs will continue to increase and will occupy a growing proportion of the wastewater rate over time. However, without a current stormwater master plan to establish program needs, the creation of a stormwater utility at this time would be premature. The URAC recommended the following:
  - ✓ Before any action is considered for the creation of a standalone stormwater utility, the City should first commission a new stormwater master plan
- System Development Charges – The City's SDC methodologies have not been reviewed/updated for some time (8 years for water and stormwater, and 13 years for wastewater). Based on direction from the URAC, the project team reviewed the methodologies from scratch, and presented their findings to the Committee. After review, the URAC is recommending the following to the Council relative to water, wastewater, and stormwater SDC methodologies:
  - ✓ Change the current SDC methodology for water, wastewater, and stormwater to include the reimbursement element of the SDC
  - ✓ Update the current improvement fees to take the most current adopted capital improvement plans into account for water, wastewater, and stormwater

- ✓ Upon Council approval, direct City staff to proceed with the statutory notice provisions contained in ORS 223.304
- ✓ Between SDC methodology updates, adjust water, wastewater, and stormwater SDCs for inflation based on an annual changes in the Engineering News Record's Construction Cost Index for the City of Seattle.

Analysis Section

Water Rates

Analysis of Water System Revenue Requirements

This analytical task determines the amount of revenue needed from water rates. This is driven by utility cash flow or income requirements, constraints of bond covenants, and specific fiscal policies related to the water utility. Based on three years of actual financial records (i.e., fiscal 2010 through 2012), and for the current budget year 2013, a base case analysis was developed. This case is predicated on a number of planning assumptions. These planning assumptions are discussed in detail below.

For the current budget year (fiscal 2013), it is forecasted that the water utility will generate sufficient revenues from rates, charges and fees to meet its obligations and produce an unappropriated ending balance in the water operating fund of $512,761. The beginning balance for the water operating fund in this same fiscal year was $513,778. In order to establish and maintain cash balances in the water operating fund while continuing to support the funding of future capital requirements, a general water rate increase of 3.05% in fiscal 2014 is required. Based on discussions with the City Staff, this general rate increase should be implemented on June 1, 2013.

For the forecast of revenue requirements, the following assumptions were made based on discussions with City staff and the URAC:

Inflation in costs and growth in the customer base – In order to accurately reflect likely future conditions, the revenue requirements model was programmed to allow for inflation and cost escalation factors by budget line item. Per guidance from City staff, the following factors were applied for estimating future cost escalation:

- All direct labor line items – 3.0% per year
- Pension plan contributions (City cost) – 5.0% per year
- Health insurance premiums (City cost) – 8.0% per year
- Professional services (OMI contract) – 3.0% per year
- All other operating expense line items – 3.0% per year
- The growth forecast expressed in the annual increase in 3/4" meters is estimated to be 0.50% per year over the five (5) year forecast horizon.

Capital Improvement Plan Funding - In the current fiscal year, total water system capital improvement costs are estimated to be $128,750, and consist of $51,500 for small diameter pipe replacements, and $77,250 for the replacement of an influent pump at the water treatment plant. The current budget assumes these capital improvement costs will be funded from cash on hand.

Between fiscal 2014 and 2017, the City's water system capital improvement plan calls for the investment of $4,008,769. The water system financial plan calls for all of these costs to be funded from the proceeds of future revenue bonds (one bond in each future fiscal year). The resulting debt service on these bonds is to be paid from water rates. The key planning assumptions for the issuance of these future water system revenue bonds are:

- Life of each issuance – 20 years
- Interest rate – 4.50%

- Issuance costs – 1.0% of gross borrowings
- Coverage requirement – 1.25 times annual debt service
- Reserve requirement – one year's annual debt service

Under the current water system financial plan, by the end of fiscal 2016, the City will add an additional $321,233 of annual revenue bond debt service to the water system revenue requirements. The debt sizing cash flows and resulting debt service calculations are shown below in Table 4.

Table 4 - Forecast of Future Water System Borrowings and Resulting Debt Service

Capital Improvements Financing	2013	2014	2015	2016	2017	2018
Capital Costs to be Funded	128,750	1,750,485	1,821,212	243,860	193,212	-
less: Contributions from SDCs						
less: Contributions From Construction Fund bal						
less: Contributions From Utility Rates	128,750				193,212	-
less: Developer Contributions						
Amount to be Financed	-	1,750,485	1,821,212	243,860	-	-
Interim Borrowing:						
BANs Issued:	-	-	-	-	-	-
less: Borrowing Cost	-	-	-	-	-	-
less: Interest Payments	-	-	-	-	-	-
plus: Interest Earnings	-	-	-	-	-	-
Net Available from BANS	-	-	-	-	-	-
Long-term Borrowing:						
Revenue Bonds:						
Amount Borrowed	-	1,917,029	1,994,485	267,062	-	-
less: Financing Cost	-	19,170	19,945	2,671	-	-
less: Reserve Funding	-	147,374	153,328	20,531	-	-
less: Refunding of BANs	-	-	-	-	-	-
Net Funds from Revenue Bonds	-	1,750,485	1,821,212	243,860	-	-
General Obligation Bonds:						
Amount Borrowed	-	-	-	-	-	-
less: Financing Cost	-	-	-	-	-	-
less: Reserve Funding	-	-	-	-	-	-
less: Refunding of BANs	-	-	-	-	-	-
Net Funds from G.O. Bonds	-	-	-	-	-	-
New Annual Debt Service:						
Debt Service	-	147,374	300,702	321,233	321,233	321,233
Coverage	-	-	-	-	-	-
Reserve Funding	-	-	-	-	-	-

It should be noted, the water system financial plan also assumes the City will continue to budget $50,000 per year (adjusted for inflation) on water projects. It is assumed these project costs will be funded with cash that is generated from water rates, and is accounted for in the revenue requirements calculations. These costs are for service installations, small works construction, minor equipment and tools, and the funding for an ongoing meter replacement program. For the forecast, we have used this figure as the starting point and adjusted it for inflation (3.0% per year) over the forecast period. We have not budgeted for any costs in the other minor capital line items.

Operating Costs in Excess of Inflation – In most rate studies, there are certain operating cost categories that tend to grow in excess of the general price index. We have identified two such categories in this analysis: a) the City's pension costs, and b) health care premiums. These cost categories have been accounted for in the revenue requirements model. We have not identified any other areas of concern for this forecast, but the City should monitor the cost structure of the water utility on an ongoing basis. Three key areas of future concern are:

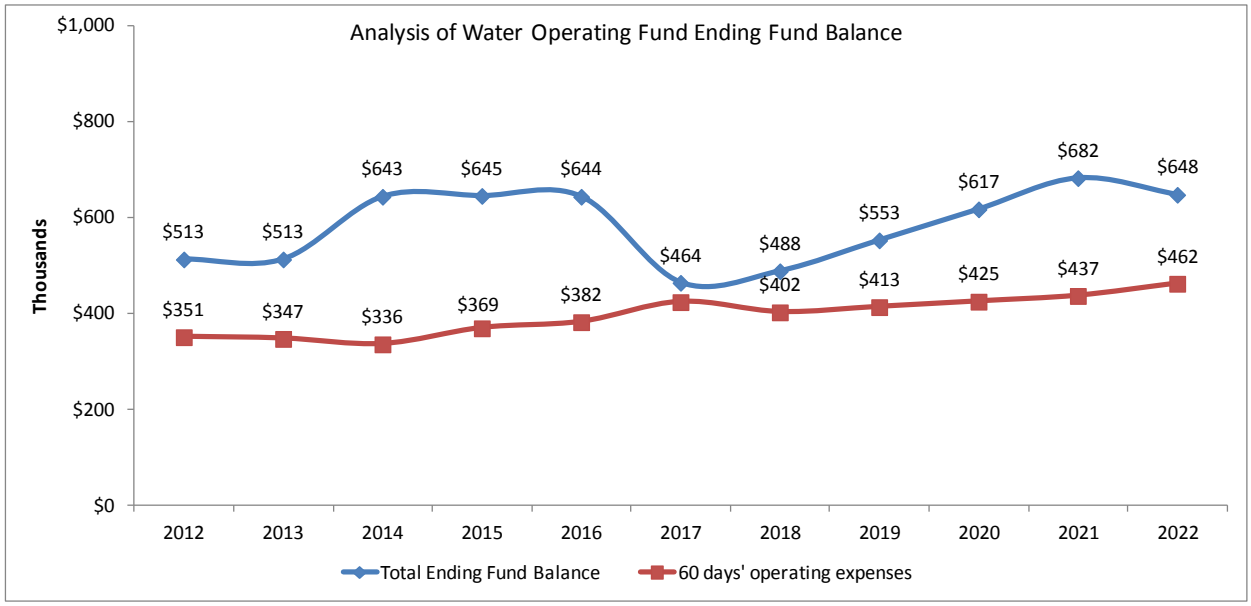
Professional services costs – The water distribution system maintenance contract with OMI is a "cost plus" contract, and has cost increase limits over the term of the contract. Within the five year forecast horizon of the current water system financial plan, this contract is due for review and renegotiation. If the future negotiations result in cost increases in excess of 3.0% per year, the City will have to revisit the water rate forecast and determine potential impacts on water rates

Administrative charges – We have not estimated or accounted for any unusual increases in City/General Fund administrative charges. The City provides administrative services such as accounting, legal, and billing to the water system. Based on proposed changes in the commodity charge rate structure as a result of our recommendations to the City Council, the City may incur additional costs for billing software updates. While modest, we do not know exactly how much these costs will be, but estimates have been included within the operations and maintenance expense forecast. The City should monitor this situation.

Staffing Costs – We have not planned or budgeted for any additional labor. If the water utility does add staff, these costs will impact the current revenue requirements forecast.

Modeling for Contingencies, Reserves, and Ending Fund Balances - The financial engine of the water utility is the water operating fund. Because the utility cash finances all of its operations, the ending fund balance in the water operating fund is in effect the contingency fund for the utility. Over the past three years, the ending fund balance in the Water Operating Fund has been declining, primarily due to several years of higher than normal operating expenses. For planning purposes, we are expecting that the Water Operating Fund will end all forecast years with a target ending fund balance in excess of sixty days of operating expenses. This target balance gives the water utility enough contingency to fund unforeseen operating cost spikes. The ten year forecast of targeted Water Operating Fund balances and operating reserve requirements is shown below in Figure 1.

Figure 1 - Forecast of Water Operating Fund Balances and Operating Reserve Requirements



Revenue Requirements Forecast & Results

All of the above cost elements are contained in the revenue requirements model which is the platform for the "base case" forecast. The base case assumes the utility will fund the projects in the 2013 Water System Capital Improvement Plan (discussed above). Also, the utility would fund the operating costs as adjusted for inflation. This base case resulted in the following forecast of water system revenue requirements (Table 5).

Table 5 – Base Case Forecast of Water System Revenue Requirements

Dallas Water Financial Forecast Model
Projection of Water System Revenue Requirements

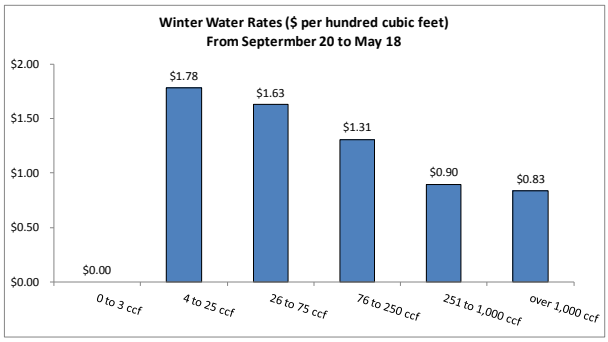
	Budget	Forecast				
	2013	2014	2015	2016	2017	2018
Projection of Cash Flow:						
Revenues:						
Total licenses and permits	5,000	5,150	5,305	5,464	5,628	5,796
Total Service Charges	2,057,500	2,057,500	2,126,483	2,198,943	2,271,963	2,346,926
Total interest earned	13,000	4,102	5,147	5,162	5,148	3,713
Total other financing sources	-	-	-	-	-	-
Total miscellaneous income	36,224	37,311	38,430	39,583	40,770	41,994
Subtotal gross operating revenues	2,111,724	2,104,063	2,175,365	2,249,152	2,323,509	2,398,429
Operations & Maintenance Expense:						
Total personal services	407,000	426,960	448,139	470,623	494,504	519,883
Total materials and services	1,091,500	1,124,245	1,157,972	1,192,712	1,228,493	1,265,348
Total debt service	523,192	495,341	648,669	669,201	669,200	669,200
Total capital outlay	50,000	51,500	53,045	54,636	56,275	57,964
Transfers(excluding transfers to the construction and bond funds)	-	-	-	-	-	-
Total operations and maintenance expense	2,071,692	2,098,046	2,307,825	2,387,171	2,448,472	2,512,394
(Use)/replacement of fund balance	40,032	75,000	(60,000)	(65,000)	(50,000)	(40,000)
Net Cash	-	(68,983)	(72,460)	(73,020)	(74,963)	(73,965)
Net Deficiency/(Surplus)	-	68,983	72,460	73,020	74,963	73,965
Test of Coverage Requirement:						
Gross Revenues:						
Operating revenues	2,111,724	2,104,063	2,175,365	2,249,152	2,323,509	2,398,429
System Development Charges	60,000	60,300	60,602	60,905	61,209	61,515
Total Gross Revenues	2,171,724	2,164,363	2,235,966	2,310,056	2,384,718	2,459,944
Operating Expenses:						
Total personal services	407,000	426,960	448,139	470,623	494,504	519,883
Total materials and services	1,091,500	1,124,245	1,157,972	1,192,712	1,228,493	1,265,348
Debt service on loans	523,192	347,967	347,967	347,968	347,967	347,967
Transfers(excluding transfers to the construction and bond funds)	-	-	-	-	-	-
Transfers to/from the rate stabilization account	-	-	(60,000)	(65,000)	(50,000)	(40,000)
Total Operating Expenses	2,021,692	1,899,172	1,894,078	1,946,302	2,020,964	2,093,198
Net Revenues	150,032	265,191	341,888	363,754	363,754	366,746
Debt Service:						
Debt Service on Existing Refunding Bonds	-	-	-	-	-	-
Debt Service on New Serial Revenue Bond Debt	-	147,374	300,702	321,233	321,233	321,233
Total debt service	-	147,374	300,702	321,233	321,233	321,233
Coverage Recognized	N/A	1.80	1.14	1.13	1.13	1.14
Coverage Required	1.25	1.25	1.25	1.25	1.25	1.25
Net Deficiency/(Surplus)	N/A	(80,974)	33,989	37,787	37,787	34,795
Projection of Revenue Sufficiency and Forecasted Rates:						
Maximum Deficiency	-	68,983	72,460	73,020	74,963	73,965
Percent Increase Required Over Current Rate Revenues	**0.00%**	**3.35%**	**3.41%**	**3.32%**	**3.30%**	**3.15%**
Five Year Average Increase in Revenue Requirements		**3.31%**	**3.31%**	**3.31%**	**3.31%**	**3.31%**
Revenues Recovered From Existing Rates and Charges:	2,057,500	2,057,500	2,126,483	2,198,943	2,271,963	2,346,926
add: Revenues Recovered From Rate Increase	-	68,983	72,460	73,020	74,963	73,965
Total Revenues Recovered From Rates & Charges after Increase	2,057,500	2,126,483	2,198,943	2,271,963	2,346,926	2,420,892

Table 5 shows, forecasted annual changes in water system revenue requirements are in line with general inflation assumptions and average approximately 3.31% per year from fiscal 2014 through fiscal 2018.

Existing Water Rates and URAC Recommended Policy Changes

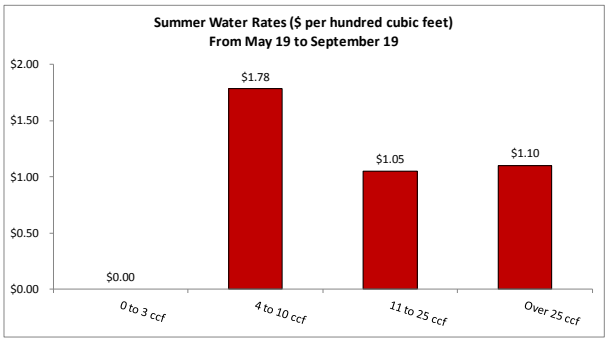
For at least the past ten (10) years, the City has used a "split season-declining block" structure for water rates. The current schedule of water rates is shown graphically:

Winter Water Rates - $/Ccf



- First 3 ccf included in the monthly base fee
- Winter period is from September 20 to May 18
- Most customers consume less than 25 Ccf per month in the winter

Summer Water Rates - $/Ccf



- Summer, 2012 consumption frequency distn.:

Usage Blocks (ccf)		% by Block
Block	Number of Bills	
Zero to 3	919	10%
4 to 10	2,613	28%
11 to 25	3,541	38%
Over 26	2,168	23%
	9,241	100%

In winter (September 20th to May 18th), all customers pay usage fees on a sliding scale ranging from $1.78 to $0.83 per hundred cubic feet (ccf) depending on their respective consumption. The City does include 3 ccf as an allowance included in the base charge. In the winter period, there are five (5) distinct water usage pricing blocks. An analysis of City billing records for calendar 2012 indicates that during the winter period, roughly 90% of all customers consumed water in the 4 to 25 ccf pricing block. Even though there are five distinct and declining pricing blocks for the winter period, almost all of the consumption occurred in the highest priced first (4 – 25 ccf) block.

The summer season (May 19th to September 19th) paints a different picture. The pricing for summer water is different than the pricing for winter water. In summer, water is priced in only three blocks ranging from $1.78 per ccf for the first block, to $1.05 per ccf for the second block, and $1.10 per ccf for the third block. City billing record for the summer of 2012 show a majority of customers (i.e., 61%) had monthly water consumption in the last two "discounted" pricing blocks.

This summer 2012 consumption history was shared with City staff and the members of the URAC and there was considerable discussion concerning the policy of having declining block water rates. In their February and March, 2013 meetings, the members of the URAC directed City staff to develop a table of the pros and cons of the current declining block water rate structure. The results are shown below in Table 6.

Table 6 - URAC Pros and Cons of the Current Declining Block Water Rate Structure

Pros	Cons
• Customers are used to it	• Does not promote conservation
• Promotes water sales in the summer	• Exacerbates peak day and peak month demand factors
• Encourages green turf and home gardens	• Compels the City to invest more in the water system to meet peak demands
	• Low consumption customers subsidize high consumption customers
	• Puts environmental pressure on the City's water shed

After a thorough discussion of the pros and cons of the current water rate structure, the URAC agreed that the negative policy implications of the declining block rate structure outweighed the benefits. The URAC spent considerable time analyzing and discussing the merits of this rate policy and is recommending the City move away from this rate structure. The specific URAC recommendations to the Council for an alternative water rate structure are:

- Eliminate the current split season, declining block water rate structure
- Continue to have a monthly base fee that does not vary by meter size
- Replace the split season, declining block commodity rates with a uniform average commodity rate that remains constant across the entire range of water consumption.
- Establish differentiated uniform commodity rates for residential and commercial customer classes. These differentiated commodity rates are based on each class's respective contribution to peak day demand. The estimated commodity rates for FY14 are:
    - ❖ Residential - $1.7262 per ccf
    - ❖ Commercial - $1.3387 per ccf
- Establish a policy on the development of industrial water rates that is flexible and will allow the City to attract and retain an industrial customer base

The URAC alternative became the base case for the water rate analysis. The ratemaking methodology that was used is called the "base-extra capacity method", and is consistent with industry standards in water rate making. Under this methodology, costs of service are separated into three primary cost components: (1) base costs, (2) extra capacity costs, and, (3)customer costs.

Base costs are those that tend to vary with the total quantity of water used plus those operations and maintenance (O&M) expenses and capital costs associated with service to customers under average load conditions, without the elements of cost incurred to meet water use variations and resulting peaks in

demand. Base costs include O&M expenses of supply, treatment, pumping, and distribution facilities. Base costs also include capital costs related to water plant investment associated with serving customers to the extent required for a constant, or average, annual rate of demand/usage.

Extra capacity costs are those associated with meeting rate of use requirements in excess of average and include O&M expenses and capital costs for system capacity beyond that required for average rate of use. These costs have been subdivided into costs necessary to meet maximum-day extra demand, and maximum-hour demand in excess of maximum day demand.

Customer costs comprise those costs associated with serving customers, irrespective of the amount or rate of water use. They include meter reading, billing, and customer accounting and collection expense, as well as maintenance and capital costs related to meters and services.

The resulting cost of service-based forecast of URAC recommended water rates is shown below in Table 7. The complete contents of the water rate model is contained in Appendix A to this report.

Table 7 - Five Year Forecast of URAC Recommended Water Rates

City of Dallas, Oregn
Water System Rate Study Update 2012
Proposed Schedule of Water Rates

Line Item Description	Budget 2013	Forecast 2014	2015	2016	2017	2018
Inside City:						
Base charge (monthly)	$ 15.7536	$ 16.1377	$ 16.5438	$ 16.9241	$ 17.2987	$ 17.6202
Use (commodity) charge						
Residential						
Base	1.0022	1.0352	1.0697	1.1057	1.1432	1.1825
Extra capacity - maximum day	0.5624	0.5803	0.5989	0.6183	0.6385	0.6596
Extra capacity - maximum hour	0.1080	0.1107	0.1135	0.1163	0.1192	0.1222
Total	1.6726	1.7262	1.7820	1.8403	1.9009	1.9643
Commercial/Industrial:						
Base	1.0022	1.0352	1.0697	1.1057	1.1432	1.1825
Extra capacity - maximum day	0.2218	0.2288	0.2362	0.2438	0.2518	0.2601
Extra capacity - maximum hour	0.0728	0.0746	0.0765	0.0784	0.0803	0.0823
Total	1.2967	1.3387	1.3823	1.4279	1.4754	1.5249
Wholesale:						
Base	N/A	N/A	N/A	N/A	N/A	N/A
Extra capacity - maximum day	N/A	N/A	N/A	N/A	N/A	N/A
Extra capacity - maximum hour	N/A	N/A	N/A	N/A	N/A	N/A
Total	-	-	-	-	-	-
Outside City:						
Base charge (monthly)	$ 31.51	$ 32.28	$ 33.09	$ 33.85	$ 34.60	$ 35.24
Use (commodity) charge						
Residential:						
Base	1.5032	1.5528	1.6045	1.6585	1.7149	1.7738
Extra capacity - maximum day	0.8436	0.8704	0.8983	0.9274	0.9578	0.9894
Extra capacity - maximum hour	0.1621	0.1661	0.1702	0.1745	0.1788	0.1832
Total	2.5088	2.5893	2.6731	2.7604	2.8514	2.9464
Commercial/Industrial:						
Base	1.5032	1.5528	1.6045	1.6585	1.7149	1.7738
Extra capacity - maximum day	0.3327	0.3433	0.3543	0.3658	0.3777	0.3902
Extra capacity - maximum hour	0.1092	0.1119	0.1147	0.1176	0.1205	0.1235
Total	1.9451	2.0080	2.0735	2.1418	2.2131	2.2874

Drought and Conservation Based Rates

A key objective for this project was to develop an alternative water rate structure that promotes dramatic reductions in water use during drought conditions. The first step in developing this alternative rate structure was to determine which classes of customers drive peak water demand in the City. The consultant team compiled historical water consumption data for all water accounts. This historical consumption data was downloaded from City billing records. Based on this data, it was determined that 84% of all water sold in the full calendar year 2011 originated from the residential customer class. The balance of water sales came from the commercial customer class (4%), and City facilities usage (parks, aquatic center, etc.) at 12%. This clearly shows the residential class is driving average and peak water demand in the City.

The second step was to standardize the City's peak demand and compare that standardized demand statistic to other western Oregon communities. In the municipal water industry, the standard frame of reference to quantify peak demand is the peaking factor. This factor is the ratio of maximum month daily demand to average annual daily demand. For all of calendar 2011, the Dallas peaking factor was calculated as follows:

Maximum month (August, 2011) daily demand ..... 4,717 ccf
Average annual daily demand ..... 2,212 ccf
Max month daily demand ÷ Ave annual daily demand 2.1327

The comparison of Dallas' 2011 peaking factor to other western Oregon communities is shown below in Figure 2.

Figure 2 - Dallas Peaking Factor Compared to Other Western Oregon Communities

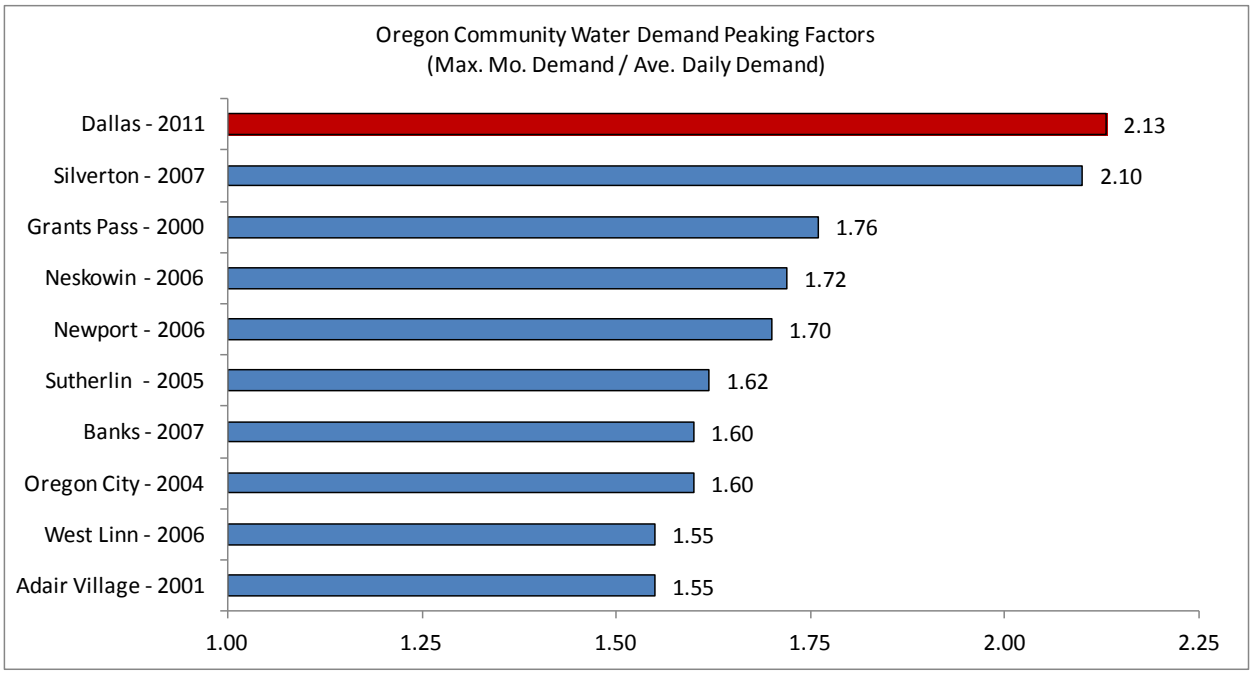


Figure 2 shows, Silverton and Dallas have relatively high peak demand factors relative to other western Oregon communities. Interestingly, both Silverton and Dallas have declining block water rate structures in the summer.

Closer inspection of the historical consumption patterns of the residential customer class corroborated the assumption that residential customers are the principal cause of seasonal water peaking demand. Based on this data, the average residential customer consumed 13.15 ccf per month on an annualized basis. During the summer months of June to September, this monthly average consumption increased to 18.82 ccf per month.

As discussed previously, the City's current summer water rate structure consists of declining block prices. Under this rate structure, customers are offered water at lower prices as they use water more during the peak summer irrigation season. City staff and the URAC directed the consultant team to investigate the feasibility of implementing a new pricing structure for the commodity charge that would give customers an economic incentive to conserve rather than use more water during the peak summer demand period. The preferred approach was to create an inverted block pricing structure for the commodity charge. Generally, an inverted block rate structure is the most widely accepted and effective water conservation rate structure in use throughout the country. Rates increase as consumption increases. The first step in the development of an inverted block rate structure is to design the pricing blocks based on a "revenue neutral" financial forecast. To achieve this goal, a model was developed to replicate the water sales conditions that were in place for calendar 2011 for all customers.

The consultant team created four rate blocks for the residential class based on the observed standard deviation of residential water consumption during the summer of 2011. The statistical derivation of the rate blocks is shown below in Table 8.

Table 8 - Derivation of Water Conservation Rate Tiers based on Summer, 2011 Consumption Data

Consumption Blocks Based on Observed Sample Standard Deviation			
Mean	18.82		
Standard Deviation*	19.10		
Median	14.00		
	Usage Blocks (ccf)		% by Block
	Block	Number of Bills	
	Zero to 3	919	10%
	4 to 19	5,095	55%
	20to 38	2,309	25%
	39 to 57	596	6%
	Over 58	322	4%
Total		9,241	100%
Checksum		9,241	
Checksum error		0	

❖ In statistics and probability theory, standard deviation shows how much variation or "dispersion" exists from the average (mean, or expected value). A low standard deviation indicates that the data points tend to be very close to the mean, whereas high standard deviation indicates that the data points are spread out over a large range of values.

As Table 8 shows, roughly 65% of all residential customers consumed 19 ccf or less per month during the summer of 2011. Conversely, 35% of the remaining residential customers consumed 20 ccf or more per

month over the same period. To encourage water conservation to those customers consuming over 20 ccf per month, pricing premiums were applied as follows:

20 ccf to 38 ccf (25% of customers in the Summer of 2011) ..... 10% more than the base block

39 ccf to 57 ccf (6% of customers in the Summer of 2011) ..... 20% more than the base block

Over 58 ccf (4% of customers in the Summer of 2011) ..... 30% more than the base block

The final step in the development of the alternative conservation water rate structure was to revisit the strategy for calculating the monthly customer base charge. Under the City's current rate structure, all customers regardless of the size of the water meter that is in place to serve the customer are charged a uniform $15.75 per month base fee. Keeping in mind, 94% of all Dallas water customers are served by either a ⅝" x ¾" or ¾" x ¾" water meter, an alternative to this approach would be to increase the monthly base fee based on the throughput capacity of the meter in place to serve customers. Using the ¾" meter as the standard, and knowing the engineered capacities of all meters in service (expressed in gallon per minute flow rates), a flow factor equivalence could be assigned to larger meters, and bill according. By increasing the monthly base fee to larger meters, it could give an incentive to existing customers to migrate down to smaller meters. The flow factor equivalence calculations for varying meter sizes is shown below in Table 9.

Table 9 - Calculation of Flow Factors for Water Meters

Meter Size:	AWWA Flow Rate Cont. Op. GPM	Flow Factor
5/8" x 3/4"	10	1.00
3/4" x 3/4"	15	1.00
1 inch	25	1.67
1 & 1/2 inch	50	3.33
2 inch	80	5.33
3 inch	175	11.67
4 inch	300	20.00
6 inch	625	41.67
8 inch	900	60.00

The rate effect of increasing monthly customer base fees by meter size and the implementation of increasing block commodity charges are shown in Table 10.

Table 10 - Schedule of Conservation-Based Water Rates

	2013	2014	2015	2016	2017	2018
Inside City:						
Base charge (monthly)						
Meter Size:						
5/8" x 3/4"	$ 15.75	$ 16.14	$ 16.54	$ 16.92	$ 17.30	$ 17.62
3/4" x 3/4"	15.75	16.14	16.54	16.92	17.30	17.62
1 inch	26.25	26.90	27.57	28.20	28.83	29.37
1 & 1/2 inch	52.50	53.80	55.13	56.40	57.67	58.73
2 inch	84.00	86.08	88.21	90.24	92.27	93.97
3 inch	183.75	188.30	192.97	197.40	201.83	205.57
4 inch	315.00	322.80	330.80	338.40	346.00	352.40
Use Charge ($/Ccf)						
Residential and Multifamily						
Zero to 300 cubic feet	-	-	-	-	-	-
400 cubic feet to1,900 cubic feet	1.67	1.73	1.78	1.84	1.90	1.96
2,000 cubic feet to 3,800 cubic feet	1.84	1.90	1.96	2.02	2.09	2.16
3,900 cubic feet to 5,700 cubic feet	2.01	2.07	2.14	2.21	2.28	2.36
Over 5,700 cubic feet	2.17	2.24	2.32	2.39	2.47	2.55
Commercial/Industrial						
Zero to 300 cubic feet	-	-	-	-	-	-
400 cubic feet to 50,000 cubic feet	1.30	1.34	1.38	1.43	1.48	1.52
Over 50,000 cubic feet	1.43	1.47	1.52	1.57	1.62	1.68
Outside City:						
Base charge (monthly)						
Meter Size:						
5/8" x 3/4"	31.50	32.28	33.08	33.84	34.60	35.24
3/4" x 3/4"	31.50	32.28	33.08	33.84	34.60	35.24
1 inch	52.50	53.80	55.13	56.40	57.67	58.73
1 & 1/2 inch	105.00	107.60	110.27	112.80	115.33	117.47
2 inch	168.00	172.16	176.43	180.48	184.53	187.95
3 inch	367.50	376.60	385.93	394.80	403.67	411.13
4 inch	630.00	645.60	661.60	676.80	692.00	704.80
Use Charge ($/Ccf)						
Residential and Multifamily						
Zero to 300 cubic feet	-	-	-	-	-	-
400 cubic feet to 2,300 cubic feet	2.51	2.59	2.67	2.76	2.85	2.95
2,400 cubic feet to 4,300 cubic feet	2.76	2.85	2.94	3.04	3.14	3.24
4,400 cubic feet to 6,300 cubic feet	3.01	3.11	3.21	3.31	3.42	3.54
Over 6,400 cubic fee	3.26	3.37	3.47	3.59	3.71	3.83
Commercial/Industrial						
Zero to 300 cubic feet	-	-	-	-	-	-
400 cubic feet to 50,000 cubic feet	1.95	2.01	2.07	2.14	2.21	2.29
Over 50,000 cubic feet	2.14	2.21	2.28	2.36	2.43	2.52

Wastewater Rates

Analysis of Wastewater System Revenue Requirements

For the current budget year (fiscal 2013), it is forecast that the wastewater utility will generate sufficient revenues from rates, charges and fees to meet its obligations and produce an unappropriated ending balance in the Wastewater Operating Fund of $1,705,232. The beginning balance for this same fiscal year was $1,769,578. In order to establish and maintain cash balances in the Wastewater Operating Fund while continuing to pay for future capital requirements, a general water rate increase of 2.84% in fiscal 2014 is required. Based on discussions with the City Staff, this general rate increase should be implemented on June 1, 2013.

For the forecast of revenue requirements, the following assumptions were made based on discussions with City staff and the URAC:

Inflation in costs and growth in the customer base – Per guidance from City staff, the following factors were applied for estimating future cost escalation; the same factors that were used in the water system revenue requirements analysis:

- All direct labor line items – 3.0% per year
- Pension plan contributions (City cost) – 5.0% per year
- Health insurance premiums (City cost) – 8.0% per year
- Professional services (OMI contract) – 3.0% per year
- All other operating expense line items – 3.0% per year
- The growth forecast expressed in the annual increase in 3.4" meters is estimated to be 0.50% per year over the five (5) year forecast horizon.

Capital Improvement Plan Funding - In the current fiscal year, total wastewater system capital improvement costs are estimated to be $103,000. This money is to be spent on the City's federally mandated "Capacity, Management, Operation, and Maintenance Program" (CMOM). This program also includes infiltration & inflow abatement (I&I) and fats, oils, and grease (FOG) abatement. The current budget assumes these capital improvement costs will be funded from cash on hand.

Between fiscal 2014 and 2016, the City's Wastewater System Capital Improvement Plan calls for the investment of $3,083,304; spread roughly evenly at $1 million in each of the three forecast years. The wastewater system financial plan calls for the fiscal 2014 costs to be funded from cash on hand, and the fiscal 2015 and 2016 costs to be funded from the proceeds of future revenue bonds (one bond in each future fiscal year). The resulting debt service on these bonds is to be paid from wastewater rates. The key planning assumptions concerning the issuance of these future wastewater system revenue bonds are:

- Life of each issuance – 20 years
- Interest rate – 4.50%
- Issuance costs – 1.0% of gross borrowings
- Coverage requirement – 1.05 times annual debt service (based on the requirements of the Clean Water State Revolving Loan program administered by the Oregon DEQ)
- Reserve requirement – one year's annual debt service

Under the current wastewater system financial plan, by the end of fiscal 2016, the City will add an additional $181,878 of annual revenue bond debt service to the wastewater system revenue requirements. The debt sizing cash flows and resulting debt service calculations are shown below in Table 11.

Table 11 - Forecast of Future Wastewater System Borrowings and Resulting Debt Service

Capital Improvements Financing	2013	2014	2015	2016	2017	2018
Capital Costs to be Funded	103,000	922,983	1,147,363	1,012,958	-	-
less: Contributions from SDCs						
less: Contributions From Construction Fund bal						
less: Contributions From Utility Rates	103,000	922,983				
less: Developer Contributions						
Amount to be Financed	-	-	1,147,363	1,012,958	-	-
Interim Borrowing:						
BANs Issued:	-	-	-	-	-	-
less: Borrowing Cost	-	-	-	-	-	-
less: Interest Payments	-	-	-	-	-	-
plus: Interest Earnings	-	-	-	-	-	-
Net Available from BANS	-	-	-	-	-	-
Long-term Borrowing:						
Revenue Bonds:						
Amount Borrowed	-	-	1,256,525	1,109,332	-	-
less: Financing Cost	-	-	12,565	11,093	-	-
less: Reserve Funding	-	-	96,597	85,281	-	-
less: Refunding of BANs	-	-	-	-	-	-
Net Funds from Revenue Bonds	-	-	1,147,363	1,012,958	-	-
General Obligation Bonds:						
Amount Borrowed	-	-	-	-	-	-
less: Financing Cost	-	-	-	-	-	-
less: Reserve Funding	-	-	-	-	-	-
less: Refunding of BANs	-	-	-	-	-	-
Net Funds from G.O. Bonds	-	-	-	-	-	-
New Annual Debt Service:						
Debt Service	-	-	96,597	181,878	181,878	181,878
Coverage	-	-	-	-	-	-
Reserve Funding	-	-	-	-	-	-

It should be noted, the wastewater system financial plan also assumes the City will continue to budget $105,000 per year (adjusted for inflation) on wastewater projects. It is assumed these project costs will be funded with cash that is generated from wastewater rates, and is accounted for in the revenue requirements calculations. These costs are for wastewater line replacements, emergency response, small works construction, minor equipment and tools, and wastewater treatment plant equipment. For the forecast, we have used this figure for our starting point and adjusted it for inflation (3.0% per year) over the forecast period. We have not budgeted for any costs in the other minor capital line items.

Operating Costs in Excess of Inflation – In most rate studies, there are certain operating cost categories that tend to grow in excess of the general price index. We have identified two such categories affecting the City's pension costs and health care premiums. These cost categories have been accounted for in the revenue requirements model. We have not identified any other areas of concern for this forecast, but the City should monitor the cost structure of the water utility on an ongoing basis. Three key areas of future concern are:

Professional services costs – The wastewater system maintenance contract with OMI is a "cost plus" contract, and has cost increase limits over the term of the contract. The annual cost of the contract

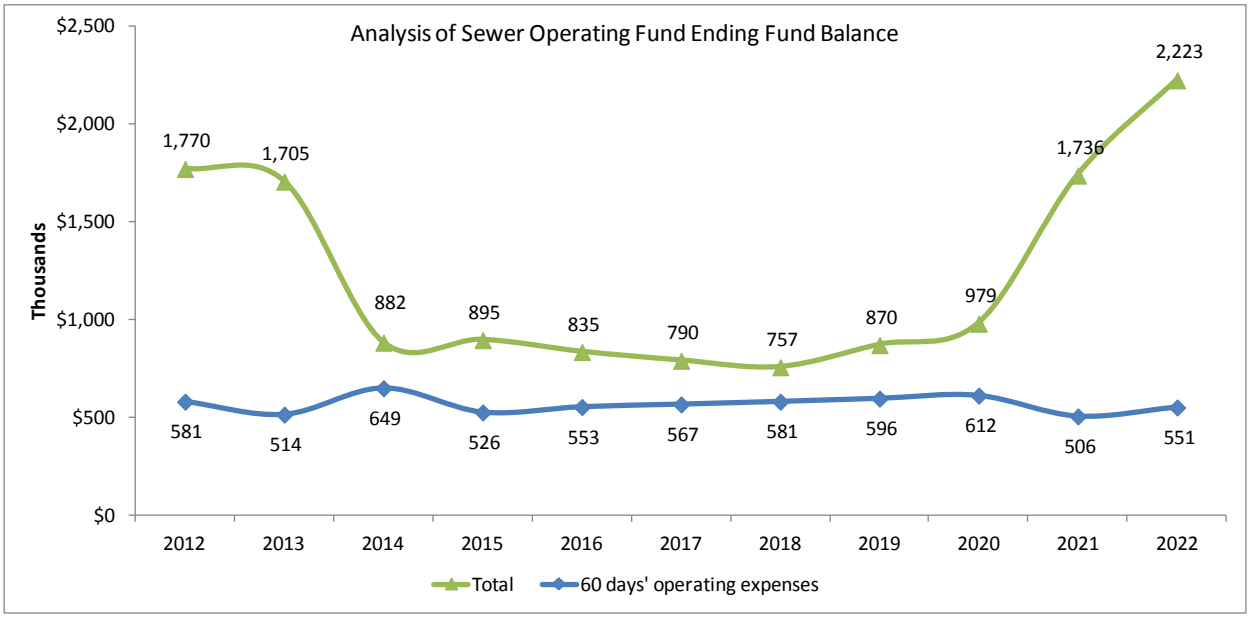
is the single highest line item cost in the wastewater department's budget (i.e., $700,000 for fiscal 2013). Within the five year forecast horizon of the current wastewater system financial plan, this contract is due for review and renegotiation. If the future negotiations result in cost increases in excess of 3.0% per year, the City will have to revisit the wastewater rate forecast, and determine the resulting higher wastewater rate implications

Administrative charges – We have not estimated or accounted for any unusual increases in City/general fund administrative charges. The City provides administrative services such as accounting, legal, and billing to the wastewater system. The City should monitor this situation for developments.

Staffing Costs – We have not planned or budgeted for any additional labor. If the wastewater utility does add staff, these costs will impact the current revenue requirements forecast.

Modeling for Contingencies, Reserves, and Ending Fund Balances – As discussed above, the Wastewater Operating Fund is expected to end this fiscal year with an unappropriated ending fund balance of $1,705,232; ample cash for an operating reserve. For planning purposes, we are expecting the Wastewater Operating Fund will end all forecast years with an ending fund balance well in excess of sixty days of operating expenses. This target balance gives the wastewater utility enough contingency to fund unforeseen operating cost spikes. The ten year forecast of targeted wastewater operating fund balances and operating reserve requirements is shown below in Figure 3. There is a significant increase in Wastewater Operating Fund balance starting in fiscal 2021. This is due to the planned retirement of the Series 2011 Full Faith and Credit Sewer System Refunding Obligations in fiscal 2020.

Figure 3 - Forecast of Sewer Operating Fund Balances and Operating Reserve Requirements



Revenue Requirements Forecast & Results

All of the above cost elements are contained in the revenue requirements model and from this, the "base case" forecast was developed. The base case assumes the utility would fund the projected capital

costs contained in the 2013 Wastewater System Capital Improvement Plan (discussed above). Also, the utility would fund the operating costs as adjusted for inflation. This base case resulted in the following forecast of water system revenue requirements (Table 12).

Table 12 – Base Case Forecast of Wastewater System Revenue Requirements

Dallas Wastewater Financial Forecast Model
Projection of Sewer System Revenue Requirements

	Budget	Forecast				
	2013	2014	2015	2016	2017	2018
Projection of Cash Flow:						
Revenues:						
Total licenses and permits	-	-	-	-	-	-
Total Service Charges	2,975,000	2,975,000	3,059,548	3,148,381	3,239,940	3,335,670
Total interest earned	25,000	13,642	7,058	7,164	6,676	6,320
Total other financing sources	12,450	-	-	-	-	-
Total miscellaneous income	53,000	54,590	56,228	57,915	59,652	61,442
Subtotal gross operating revenues	3,065,450	3,043,232	3,122,834	3,213,459	3,306,268	3,403,432
Operations & Maintenance Expense:						
Total personal services	587,500	616,475	647,227	679,883	714,577	751,456
Total materials and services	1,503,500	1,548,605	1,595,063	1,642,915	1,692,202	1,742,969
Total debt service	1,005,650	1,004,550	1,094,747	1,178,428	1,171,528	1,165,878
Total capital outlay	105,000	108,150	111,395	114,736	118,178	121,724
Transfers(excluding transfers to the sewer bond fund)	-	-	-	-	-	-
Total operations and maintenance expense	3,201,650	3,277,780	3,448,432	3,615,962	3,696,486	3,782,026
(Use)/replacement of fund balance	(136,200)	(150,000)	(250,000)	(325,000)	(325,000)	(300,000)
Net Cash	-	(84,548)	(75,598)	(77,503)	(65,218)	(78,594)
Net Deficiency/(Surplus)	-	84,548	75,598	77,503	65,218	78,594
Test of Coverage Requirement:						
Gross Revenues:						
Operating revenues	3,065,450	3,043,232	3,122,834	3,213,459	3,306,268	3,403,432
System Development Charges	20,000	20,100	20,201	20,302	20,403	20,505
Total Gross Revenues	3,085,450	3,063,332	3,143,034	3,233,761	3,326,671	3,423,937
Operating Expenses:						
Total personal services	587,500	616,475	647,227	679,883	714,577	751,456
Total materials and services	1,503,500	1,548,605	1,595,063	1,642,915	1,692,202	1,742,969
Debt service on full faith and credit refunding obligations	1,005,650	1,004,550	998,150	996,550	989,650	984,000
Transfers to/from the rate stabilization account	-	-	(110,000)	(185,000)	(165,000)	(150,000)
Total Operating Expenses	3,096,650	3,169,630	3,130,440	3,134,348	3,231,429	3,328,424
Net Revenues	(11,200)	(106,298)	12,594	99,413	95,242	95,513
Debt Service:						
Debt Service on Existing Bonds and Loans	-	-	-	-	-	-
Debt Service on New Serial Revenue Bond Debt	-	-	96,597	181,878	181,878	181,878
Total debt service	-	-	96,597	181,878	181,878	181,878
Coverage Recognized	N/A	N/A	0.13	0.55	0.52	0.53
Coverage Required	1.05	1.05	1.05	1.05	1.05	1.05
Net Deficiency/(Surplus)	-	-	88,833	91,559	95,730	95,459
Projection of Revenue Sufficiency and Forecasted Rates:						
Maximum Deficiency	-	84,548	88,833	91,559	95,730	95,459
Percent Increase Required Over Current Rate Revenues	**0.00%**	**2.84%**	**2.90%**	**2.91%**	**2.95%**	**2.86%**
Five Year Average Increase in Revenue Requirements		**2.89%**	**2.89%**	**2.89%**	**2.89%**	**2.89%**
Revenues Recovered From Existing Rates and Charges:	2,975,000	2,975,000	3,059,548	3,148,381	3,239,940	3,335,670
add: Revenues Recovered From Rate Increase	-	84,548	88,833	91,559	95,730	95,459
Total Revenues Recovered From Rates & Charges after Increase	2,975,000	3,059,548	3,148,381	3,239,940	3,335,670	3,431,129

Table 12 shows forecasted annual changes in wastewater system revenue requirements are in line with general inflation assumptions and average approximately 2.89% per year from fiscal 2014 through fiscal 2018.

Existing Wastewater Rates and URAC Recommended Policy Changes

The City charges its wastewater customers for collection and treatment services as follows:

- ***Single family residential*** - $40.91 per account per month flat
- ***Multiple dwelling units*** - $40.91 per month for the first dwelling unit, and $30.21 per month for each additional dwelling unit
- ***Non-housekeeping or transient quarters*** - $41.91 per month plus $10.50 per month for each additional bedroom or sleeping quarters
- ***Commercial Users*** - as defined in Resolution No. 3147
    - ✓ Section 1 (d) – Commercial User. Based upon the monthly average metered delivery of water to said premises for the highest three months of usage during November, December, January, and February just previous, the following rate and charges shall apply

Consumption Block	Rate	% increase by Block
0 - 3 ccf	$ 40.91	
3 - 15 ccf	$ 69.19	69%
15 - 25 ccf	$ 90.90	31%
25 - 50 ccf	$ 140.47	55%
50 - 75 ccf	$ 187.00	33%
75 - 100 ccf	$ 230.37	23%
100 - 200 ccf	$ 366.75	59%
> 200 ccf	$366.75, plus $1.41 per ccf over 200 ccf	

The City's flat monthly rate structure for residential customers has been in place for in excess of ten years, and works well for the City and its customers. In calendar 2011, active residential accounts accounted for 93% of all active accounts and 88% of total wastewater system revenues. As in the case of the water system analysis, the residential class drives the demands on the City's wastewater system.

In calendar 2011, the commercial customer class accounted for 7% of active accounts, and 12% of total wastewater system revenues. The City currently does not serve any industrial high sewage strength customers. The current methodology for billing commercial and large multi-family wastewater customers does not follow the industry norm. Allowing these customers to be billed based on their individual prior winter month's average water consumption is unusual. That methodological billing approach is usually reserved for residential customers in a "consumption-based" billing model. Since commercial and large multi-family wastewater customers generally do not have summer irrigation needs, there is no reason to limit their wastewater bills to winter average monthly water consumption. This was brought to the attention of the URAC, and they are recommending to the City Council that large multi-family and commercial customers be billed on "real time" monthly water consumption.

Modification to Commercial and Industrial Wastewater Rate Categories

A deliverable for this project was to develop an alternative wastewater rate structure that accounted for high strength sewage discharge. Specifically, the study was tasked to provide at least two alternatives for commercial wastewater rates based upon high biochemical oxygen demand (BOD) or total

suspended solids (TSS). The project team spent considerable time on this issue with City staff and developed a proposal that was presented to the URAC at their regular meetings in January and February of 2013. That proposal consisted of establishing three distinct classes of commercial wastewater customers, and one class for high strength industrial customers. Since wastewater does not get measured or chemically analyzed when it leaves a customer's property, strength of discharge limits had to be established for each new commercial class. The strength limits proposed for the new classes are (expressed in units of biochemical oxygen demand (BOD) and units of total suspended solids (TSS):

New Customer Class Name	BOD	TSS
Residential Class Characteristics:		
Single family residential – domestic strength wastewater	200 mg/liter	200 mg/liter
Multi-family residential – domestic strength wastewater	200 mg/liter	200 mg/liter
Commercial Industrial Class Characteristics:		
Commercial Class I – domestic strength wastewater	200 mg/liter	200 mg/liter
Commercial Class II – medium strength wastewater	250 mg/liter	250 mg/liter
Commercial Class III – high strength wastewater	300 mg/liter	300 mg/liter
Industrial extra strength – industrial wastewater	over 350 mg/liter	over 350 mg/liter

The strength of discharge limits became the driver for developing the proposed schedule of wastewater rates that was presented to the URAC and subsequently adopted for recommendation to the City Council. That recommended schedule of wastewater rates is shown below in Table 13. The complete contents of the wastewater rate model are contained in Appendix B to this report.

Table 13 - Proposed Schedule of Wastewater Rates

City of Dallas, Oregon
Wastewater Rate Study Update - 2013
Schedule of Current and Recommended Wastewater Rates

Line Item Description	Budget 2013	Forecast 2014	2015	2016	2017	2018
Consumption Based Rates:						
Customer Account Service (BASE) Charges:						
Inside City monthly	$ 34.61247	$ 35.39017	$ 37.84435	$ 39.29063	$ 39.85826	$ 40.39729
Commodity (USE) Charges:						
Single Family Residential						
Sanitary flow and I&I	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
Strength - BOD	0.13557	0.13927	0.11153	0.10377	0.11387	0.12421
Strength - TSS	0.13550	0.13919	0.11147	0.10371	0.11381	0.12414
Total - $/Ccf	$ 0.89904	$ 0.92334	$ 0.75845	$ 0.71388	$ 0.77691	$ 0.84141
Multi-Family						
Sanitary flow and I&I	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
Strength - BOD	0.13557	0.13927	0.11153	0.10377	0.11387	0.12421
Strength - TSS	0.13550	0.13919	0.11147	0.10371	0.11381	0.12414
Total - $/Ccf	$ 0.89904	$ 0.92334	$ 0.75845	$ 0.71388	$ 0.77691	$ 0.84141
Commercial I						
Sanitary flow and I&I	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
Strength - BOD	0.13557	0.13927	0.11153	0.10377	0.11387	0.12421
Strength - TSS	0.13550	0.13919	0.11147	0.10371	0.11381	0.12414
Total - $/Ccf	$ 0.89904	$ 0.92334	$ 0.75845	$ 0.71388	$ 0.77691	$ 0.84141
Commercial II						
Sanitary flow and I&I	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
Strength - BOD	0.16947	0.17409	0.13941	0.12971	0.14234	0.15526
Strength - TSS	0.16938	0.17399	0.13934	0.12964	0.14226	0.15517
Total - $/Ccf	$ 0.96680	$ 0.99296	$ 0.81420	$ 0.76575	$ 0.83383	$ 0.90350
Commercial III						
Sanitary flow and I&I	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
Strength - BOD	0.20336	0.20890	0.15565	0.15565	0.17080	0.18631
Strength - TSS	0.20325	0.20879	0.15557	0.15557	0.17071	0.18621
Total - $/Ccf	$ 1.03457	$ 1.06258	$ 0.84667	$ 0.81762	$ 0.89075	$ 0.96558
High Strength						
Sanitary flow and I&I - $/Ccf	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
BOD - $/lb	0.23725	0.24372	0.19518	0.18160	0.19927	0.21736
TSS - $/lb	0.23713	0.24359	0.19507	0.18150	0.19916	0.21724
Total - $/Ccf	$ 1.10234	$ 1.13219	$ 0.92570	$ 0.86949	$ 0.94767	$ 1.02767
Flat Monthly Rates:						
Single Family Residential flat rate:						
Winter average monthly consumption (ccf)	7.00	7.00	7.00	7.00	7.00	7.00
BASE charge	$ 34.61	$ 35.39	$ 37.84	$ 39.29	$ 39.86	$ 40.40
USE charge	6.29	6.46	5.31	5.00	5.44	5.89
Total - $/account/month	$ 40.91	$ 41.85	$ 43.15	$ 44.29	$ 45.30	$ 46.29

Note: High strength customers that contribute wastewater that exceed a strength threshold of 350 mg/l BOD or 350 mg/l TSS will be charged based on their actual flow and load.

User classifications shall be comprised of, but not limited to the following:

A. Residential.

1. Single-family (per dwelling unit);
2. Multiple-family (per dwelling unit);
3. Mobile home park (per dwelling space);
4. Travel trailer park (per dwelling space).
5. Hotels and motels (each)

B. Commercial I.

1. Barbershops and beauty shops (each);
2. Car dealers and automotive repair facilities (each);
3. Churches (each, without garbage disposal);
4. Department stores (each);
5. Fraternal clubs (each, without food service);
6. Grocery stores (each, without meat cutting);
7. Hardware stores (each);
8. Laundromats (each);
9. Light industrial (each, based on City Engineer's review);
10. Medical, dental and veterinary clinics (each);
11. Pharmacies (each);
12. Print shops (each);
13. Professional offices (each business);
14. Schools (each, without food preparation);
15. Service stations (each);
16. Taverns (each, without food preparation);
17. Warehouses (each).
18. Carwashes (each)
19. Government Utilities (each)
20. Nursery (each)

C. Commercial II.

1. Churches (each, with garbage disposal);
2. Restaurants and fraternal clubs (each, with food service, no garbage disposal, with grease trap);
3. Institutions (each, hospitals, schools, nursing homes).

D. Commercial III.

1. Bakeries (each);
2. Restaurants and fraternal clubs (each, with food service, no garbage disposal, without grease trap);
3. Grocery stores (each, with meat cutting and/or bakery);
4. Meat markets (each).

E. Industrial.

1. Any facility that discharges effluent to the sanitary sewer for any 24-hour period which equals or exceeds any one of the following criteria:
    a. Flow greater than 25,000 gpd,
    b. BOD greater than 350 mg/l,
    c. SS greater than 350 mg/l,
    d. pH greater than 9.0,
    e. pH less than 6.0.

Stormwater Management

Existing Conditions and Funding Sources

The City is responsible for the management of the surface waters that flow over and through its jurisdictional boundaries. The existing drainage facilities within the City outfall to several natural creeks, but the primary drainage is Rickreall Creek. In undeveloped areas, open system conveyance to one of these creek systems is common, while in the more intensively developed areas, piped systems are the norm. The costs the City incurs to manage stormwater are principally funded from wastewater rates, with some contributions from stormwater SDCs for capital improvements. There is no dedicated funding source for stormwater operations at this time.

City staff estimate that approximately 6% of its total wastewater operating fund budget is spent on stormwater maintenance & system cleaning (i.e., $175k). The consultant team estimated for a community the size of Dallas, a stormwater program budget should be in the $300k - $700k range and this would assume a minimal capital improvement program. Unfortunately, the City does not have a current stormwater master plan, and the fiscal 2013 budget actually calls for a reduction in stormwater system maintenance and cleaning. After considerable discussion with City staff and the URAC, it is suggested the City commission a new stormwater master plan, and once completed, revisit the subject of establishing a dedicated rate and revenue stream (stormwater utility). Development of the master plan would provide the City with a better understanding of its stormwater system, maintenance requirements, future capital needs/costs and the impact of federal stormwater regulations on Dallas into the future.

URAC Recommendation to the City Council

The current condition of the stormwater program was presented to the URAC at their January and February, 2013 meetings, and consensus was reached that stormwater costs will continue to increase and will occupy a growing proportion of the wastewater rate over time. URAC members felt the appropriate future policy for stormwater funding would be a dedicated, fee-based, funding source for the program, and to establish an enterprise fund to budget and account for stormwater finances. However, before any action is considered for the creation of a standalone stormwater utility, the City should commission a new stormwater master plan to guide future planning for the program.

System Development Charges

Introduction

The City's current schedule of SDCs for water and stormwater was last reviewed in 2003. The wastewater SDC was last updated in 1999. With the preparation of the utilities rate study, the City also updated its methodologies for water, wastewater, and stormwater SDCs. As part of this review and update, the City has stated a number of objectives:

- Review the basis for water, wastewater, and stormwater SDCs to ensure a consistent methodology;
- Address specific policy, administrative, and technical issues which had arisen from application of the existing SDCs;
- Determine the most appropriate and defensible fees, ensuring that development is paying its proportionate share of capital costs;
- Consider possible revisions to the structure or basis of the charges which might improve equity or proportionality to demand;
- Provide clear, orderly documentation of the assumptions, methodology, and results, so that City staff could, by reference, respond to questions or concerns from the public.

This report provides the documentation of that effort, and was done in close coordination with City staff relying on available capital facility plans and other relevant documents. Table 14 summarizes the current and proposed residential equivalent SDCs for water wastewater, and stormwater. Appendix C includes the calculations used to derive the proposed SDCs for each service.

Table 14 - Component Breakdown of the Proposed Residential Equivalent Water, Wastewater, and Stormwater SDCs

	Reimbursement	Improvement	Total
Proposed:			
Water	1,154	2,973	4,127
Wastewater	1,495	3,792	5,287
Stormwater	9	1,066	1,075
Total proposed	$ 2,658	$ 7,831	$ 10,489
Current:			
Water	-	3,752	3,752
Wastewater	-	3,834	3,834
Stormwater	-	812	812
Total current	$ -	$ 8,398	$ 8,398
Difference:			
Water	1,154	(779)	375
Wastewater	1,495	(42)	1,453
Stormwater	9	254	263
Difference	$ 2,658	$ (567)	$ 2,091

The framework for SDC calculation is established by Oregon Revised Statute (ORS) 223.297-297.314 which is the basis for this review. Under statute, SDC's are one-time capital fees imposed on new development and have two components: reimbursement and improvement.

The reimbursement fee considers the cost of existing facilities, prior contributions by existing users of those facilities, the value of the unused/available capacity, and generally accepted ratemaking principles. The objective is "future system users contribute no more than an equitable share to the cost of existing facilities." The reimbursement fee can be spent on capital costs or debt service related to the systems for which the SDC is applied.

The improvement fee portion of the SDC is based on the cost of planned future facilities that expand the system's capacity to accommodate growth or increase its level of performance. In developing an analysis of the improvement portion of the fee for water, wastewater, and stormwater, each project in the respective service's capital improvement plan is evaluated to exclude costs related to correcting existing system deficiencies or upgrading for historical lack of capacity. An example is a facility which improves system capacity to better serve current customers. The costs for this type of project must be eliminated from the improvement fee calculation. Only capacity increasing/level of performance costs provide the basis for the SDC calculation. The improvement SDC is calculated as a function of the estimated number of additional equivalent residential units to be served by the City's facilities over the planning period.

SDC Legal Authorization

SDCs are authorized by Oregon Revised Statute (ORS) 223.297-314. The statute is specific in its definition of SDCs, their application, and their accounting. In general, an SDC is a one-time fee imposed on new development or redevelopment, and assessed at the time of development approval or increased usage of the system. SB 939, passed by the 2003 legislature, included many procedural adjustments and clarifications to ORS 223. Overall, the statute is intended to promote equity between new and existing customers by recovering a proportionate share of the cost of existing and planned/future capital facilities that serve the developing property. Statute further provides the framework for the development and imposition of SDCs and establishes that SDC receipts may only be used for capital improvements and/or related debt service.

The methodology used to determine the improvement fee portion of the SDC must consider the cost of projected capital improvements needed to increase system capacity or level of performance. In other words, the cost of planned projects that correct existing deficiencies or do not otherwise increase capacity would not be SDC eligible. The improvement fee must also provide a credit for construction of a qualified public improvement.

SDC Methodology

The essential ingredient in the development of an SDC methodology for water, wastewater, and stormwater services is source data. For this project, the consultant team has relied on a number of data sources. The primary sources have been the adopted master plans and plan updates for the three municipal facilities. We have supplemented these data sources with City utility billing records, certified 2010 census data, and other documents that we deemed helpful, accurate, and relevant to this study. Table 15 contains a bibliography of the key documents/sources that we relied upon to build the analysis and resulting SDCs.

Table 15 - Data Sources for the Calculation of Water, Wastewater, and Stormwater SDC

Service	Master Plan Document and/or Corroborating Source Documentation
Water	• City of Dallas Water Capital Improvement Plan; January, 2013 • City of Dallas Utility Billing System - water meters in service report; February 21, 2012 • Per American Water Works Association standards effective January 1, 2003 for cold water meters- displacement type, bronze main case. ANSI approval October 11, 2002. American Water Works Association ANSI/AWWA C700-02 (Revision of ANSI/AWWA C700-95). • Portland State University, College of Urban Affairs, Population Research Center; Certified 2010 census for Dallas, Oregon; March 31, 2011
Wastewater	• City of Dallas Wastewater Capital Improvement Plan; January, 2013 • City of Dallas Utility Billing System – water meters in service report; February, 2012 • Portland State University, College of Urban Affairs, Population Research Center; Certified 2010 census for Dallas, Oregon; March 31, 2011
Stormwater	• City of Dallas Stormwater Capital Improvement Plan; January, 2013 • Portland State University, College of Urban Affairs, Population Research Center; Certified 2010 census for Dallas, Oregon; March 31, 2011

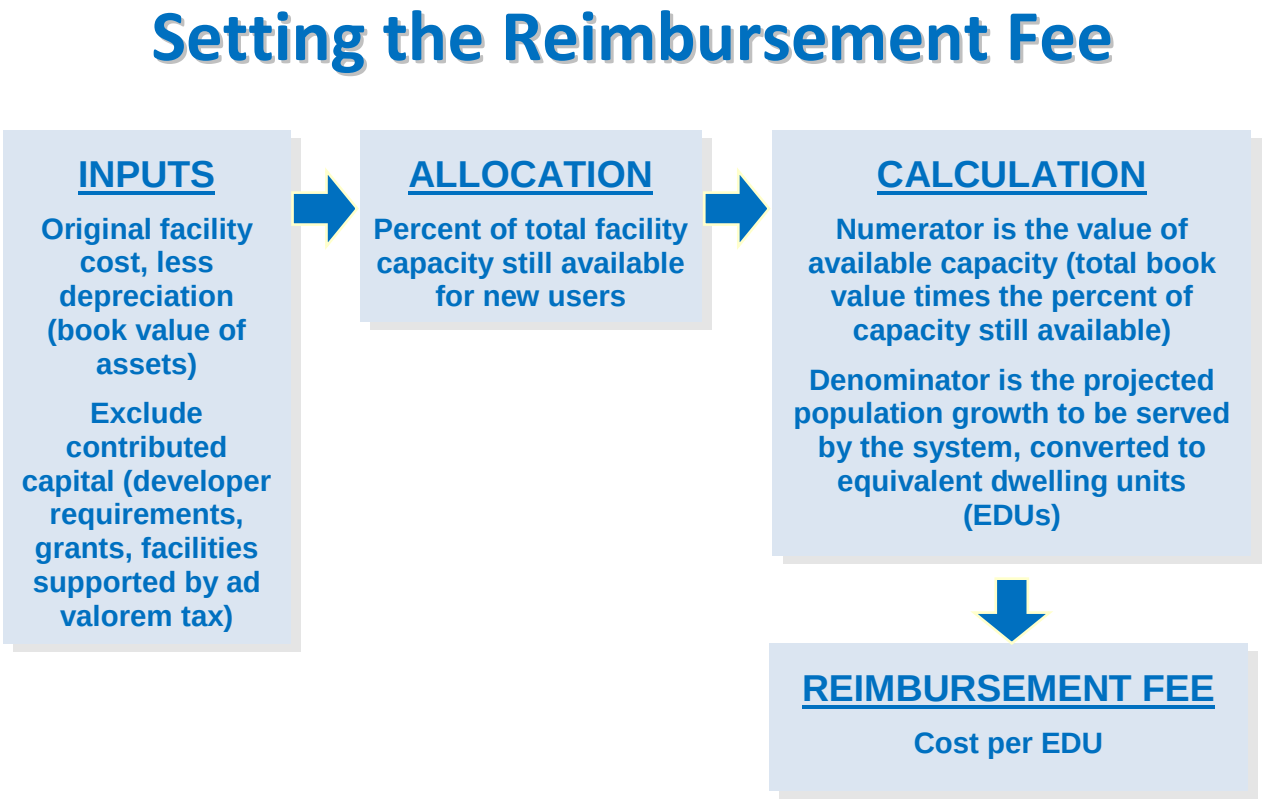
Reimbursement Fee Methodology

The reimbursement fee represents a buy-in to the cost, or value, of infrastructure capacity within the existing system. Generally, if a system was adequately sized for future growth, the reimbursement fee might be the only charge imposed, since the new customer would be buying existing capacity. However, staged system expansion is needed, and an improvement fee is imposed to allocate those growth related costs. Even in those cases, the new customer also relies on capacity within the existing system, and a reimbursement component is warranted.

In order to determine an equitable reimbursement fee to be used in conjunction with an improvement fee, two points should be highlighted. First, the cost of the system to the City's customers may be far less than the total plant-in-service value. This is due to the fact that elements of the existing system may have been contributed, whether from developers, governmental grants, and other sources. Therefore, the net investment by the customer/owners is less. Second, the value of the existing system to a new customer is less than the value to an existing customer, since the new customer must also pay, through an improvement fee, for expansion of some portions of the system.

The method used for determining the reimbursement fee accounts for both of these points. First, the charge is based on the net investment in the system, rather than the gross cost. Therefore, donated facilities, typically including distribution (water) and collection (wastewater) lines, local facilities, and grant-funded facilities, would be excluded from the cost basis. Also, the charge should be based on investments clearly made by the current users of the system, and not already supported by new

customers. Tax supported activities fail this test since funding sources have historically been from general revenues, or from revenues which emanate, at least in part, from the properties now developing. Second, the cost basis is allocated between used and unused capacity, or capacity available to serve growth. In the absence of a detailed asset by asset analysis, it is appropriate to allocate the cost of existing facilities between used and available capacity proportionally based on the forecasted population growth as converted to residential equivalents over the planning period. This approach reflects the philosophy, consistent with the City's Updated Master Plans, that facilities have been sized to meet the demands of the customer base within the established planning period.



Improvement Fee Methodology

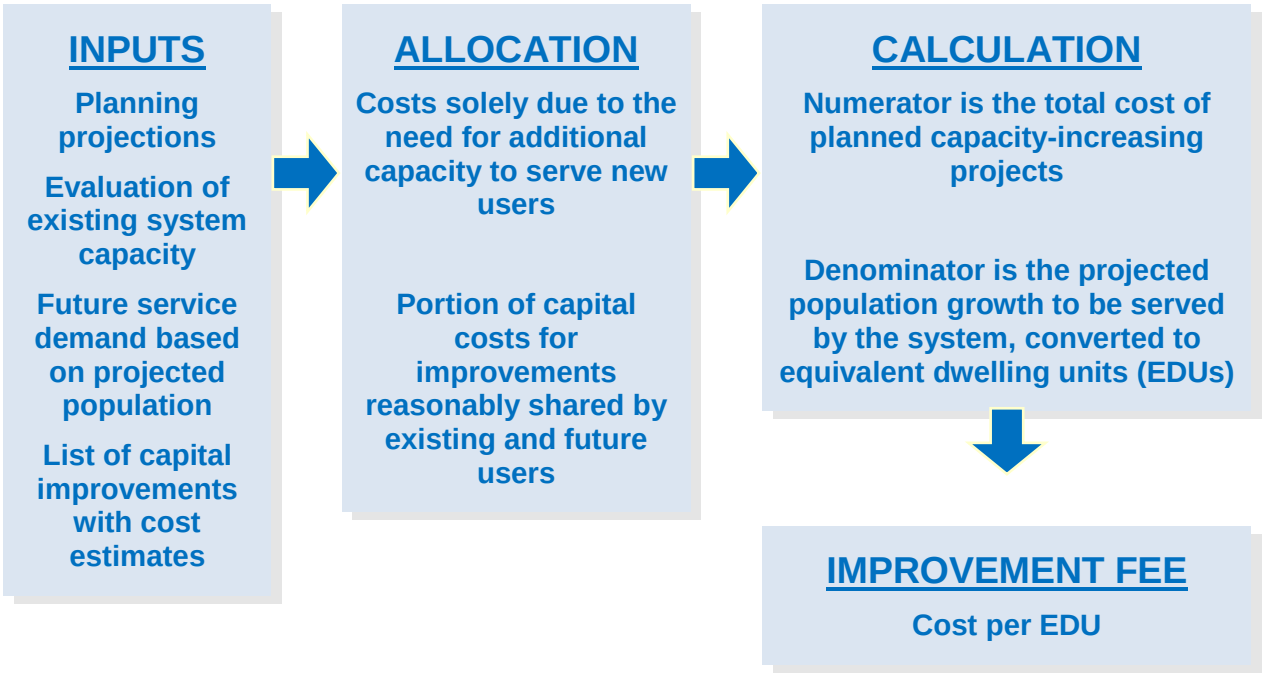
There are three basic approaches used to develop improvement fee SDCs: "standards driven", "improvements-driven", and "combination/hybrid" approaches. The "standards-driven" approach is based on the application of Level of Service (LOS) standards for facilities. Facility needs are determined by applying the LOS standards to projected future demand, as applicable. SDC-eligible amounts are calculated based on the costs of facilities needed to serve growth. This approach works best where level of service standards have been adopted but no specific list of projects is available. The "improvements-driven" approach is based on a specific list of planned capacity increasing capital improvements. The portion of each project that is attributable to growth is determined, and the SDC-eligible costs are calculated by dividing the total costs of growth-required projects by the projected increase in projected future demand, as applicable. This approach works best where a detailed master plan or project list is available and the benefits of projects can be readily apportioned between growth and current users. Finally, the combination/hybrid-approach includes elements of both the "improvements driven" and "standards-driven" approaches. Level of Service standards may be used to create a list of planned capacity-increasing projects, and the growth required portions of projects are then used as the basis for determining SDC eligible costs. This approach works best where levels of service have been identified and the benefits of individual projects are not easily apportioned between growth and current users.

In the past, the City has utilized the "improvements-driven" approach for the calculation of water, wastewater, and stormwater SDCs. This study continues to use this method, and has relied on the capital improvement plans that are incorporated in the master plans, and plan updates for these three municipal services.

For this SDC methodology update, the improvement fee represents a proportionate share of the cost to expand the systems to accommodate growth. This charge is based on the capital improvement plans established by the City in the master plans for water, wastewater, and park services. The costs that can be applied to the improvement fees are those that can reasonably be allocable to growth. Statute requires that the capital improvements used as a basis for the charge be part of an adopted capital improvement schedule, whether as part of a system plan or independently developed, and that the improvements included for SDC eligibility be capacity or level of service expanding. The improvement fee is intended to protect existing customers from the cost burden and impact of expanding a system that is already adequate for their own needs in the absence of growth.

The key step in determining the improvement fee is identifying capital improvement projects that expand the system and the share of those projects attributable to growth. Some projects may be entirely attributable to growth, such as a wastewater collection line that exclusively serves a newly developing area. Other projects, however, are of mixed purpose, in that they may expand capacity, but they also improve service or correct a deficiency for existing customers. An example might be a water booster pump station that both expands water distribution system capacity and corrects a chronic capacity issue for existing users. In this case, a rational allocation basis must be defined.

Setting the Improvement Fee



The improvement portion of the SDC is based on the proportional approach toward capacity and cost allocation in that only those facilities (or portions of facilities) that either expand the water, wastewater and stormwater system capacity to accommodate growth or increase its respective level of performance have been included in the cost basis of the fee. As part of this SDC update, City Staff were asked to review the planned capital improvement lists in order to assess SDC eligibility. The criteria in Figure 4 were developed to guide the City's evaluation:

Figure 4 - SDC Eligibility Criteria

City of Dallas

Steps Toward Evaluating

Capital Improvement Lists for SDC Eligibility

ORS 223

1. Capital improvements mean the facilities or assets used for :
    a. Water supply, treatment, storage, transmission, and distribution
    b. Wastewater collection, transmission, treatment, and disposal
    c. Stormwater land acquisition, and improvements

    This definition DOES NOT ALLOW costs for operation or routine maintenance of the improvements;
2. The SDC improvement base shall consider the cost of projected capital improvements needed to increase the capacity of the systems to which the fee is related;
3. An increase in system capacity is established if a capital improvement increases the "level of performance or service" provided by existing facilities or provides new facilities.

Under the City' approach, the following rules will be followed

1. Repair costs are not to be included;
2. Replacement costs will not be included unless the replacement includes an upsizing of system capacity and/or the level of performance of the facility is increased;
3. New regulatory compliance facility requirements fall under the level of performance definition and should be proportionately included;
4. Costs will not be included which bring deficient systems up to established design levels.

In developing the improvement fee, the project team in consultation with City staff evaluated each of its CIP projects to exclude costs related to correcting existing system deficiencies or upgrading for historical lack of capacity. Only capacity increasing/level of performance costs were used as the basis for the SDC calculation, as reflected in the capital improvement schedules developed by the City. The improvement fee is calculated as a function of the estimated number of projected additional residential equivalents for water, wastewater and stormwater to be served by the City's facilities over the planning horizon.

Once the future costs to serve growth have been segregated (i.e., the numerator), they can be divided into the total number of new residential equivalents that will use the capacity derived from those investments (i.e., the denominator).

Methodology for the Granting of Credits, Exemptions, Discounts, and Indexing

SDC Credits Policy

ORS 223.304 requires that credits be allowed for the construction of a "qualified public improvements" which are required as a condition of development approval, identified in the capital plan, located on or contiguous to property that is the subject of development approval or located on or contiguous to such property and is required to be built larger or with greater capacity than is necessary for the particular development project. The credit for a qualified public improvement may only be applied against an SDC for the same type of improvement, and may be granted only for the cost of that portion of an improvement which exceeds the minimum standard facility size or capacity needed to serve the particular project. For multi-phase projects, any excess credit may be applied against SDCs that accrue in subsequent phases of the original development project. In addition to these required credits, the City may, if it so chooses, provide a greater credit, establish a system providing for the transferability of credits, provide a credit for a capital improvement not identified in the Capital Improvement Plan, or provide a share of the cost of an improvement by other means.

The City has adopted a policy for granting SDC credits, and has codified this policy in the Dallas City Code (DCC) §4.655. The adopted SDC credit policy consists of six (6) items as follows:

(1) As used in this section and in the definition of "qualified public improvements" in section 4.620, the word "contiguous" means that part of a public way which abuts the development parcel.

(2) When development occurs that must pay an SDC under section4.630, the SDC for the existing use which would have been imposed if this section was in effect when the property was developed shall be calculated and if it is less than the SDC for the proposed use, the difference between the SDC for the existing use and the SDC for the proposed use shall be the SDC required under section 4.630. If the change in use results in the SDC for the proposed use being less than the SDC for the existing use, no SDC shall be required; however, no refund or credit shall be given.

(3) The limitations on the use of credits contained in this subsection shall not apply when credits are otherwise given under section4.655. A credit shall be given for the cost of a qualified public improvement associated with a development. If a qualified public improvement is located partially on and partially off the parcel of land that is the subject of the approval, the credit shall be given only for the cost of the portion of the improvement not located on or wholly contiguous to the parcel of land. The credit provided for by this subsection shall be only of the improvement fee charged for the type of improvement being constructed and shall not exceed the improvement fee even if the cost of the capital improvement exceeds the applicable improvement fee.

(4) Applying the methodology adopted by resolution, the city manager may grant a credit against the improvement fee for a capital improvement constructed as part of the development that reduces the development's demand upon existing capital improvements or the need for future capital improvements or that would otherwise have to be constructed at city expense under then-existing council policies.

(5) In situations where the amount of credit exceeds the amount of the SDC, the excess credit is not transferable to another development. However, the excess credit may be transferred to another phase of the original development.

(6) Credit shall not be transferrable from one type of capital improvement to another.

[Section 4.655 added by Ordinance No. 1450, passed June 17, 1991.]

Partial and Full SDC Exemptions Policy

The City may exempt certain types of development, from the requirement to pay SDCs. Exemptions reduce SDC revenues and, therefore, increase the amounts that must come from other sources, such as utility rates. As in the case of SDC credits, the City has articulated a policy relative to partial and full SDC exemption. This SDC exemption policy is codified in DCC §4.650, and is as follows:

The following are exempt from the SDC imposed in section 4.630:

(1) Development which existed on July 1, 1991 and for which a building or placement permit was issued before that date.

(2) An alteration, addition, replacement or change in use that does not increase the use of capital improvements.

(3) Development exempt under the provisions of DCC §9.850 (Enterprise Zone Development).

[Section 4.650 amended by Ordinance No. 1450, passed June 17, 1991.]

SDC Discount Policy

The City, at its sole discretion may discount the SDC rates by choosing not to charge a reimbursement fee for excess capacity, or by reducing the portion of growth-required improvements to be funded with SDCs. A discount in the SDC rates may also be applied on a pro-rata basis to any identified deficiencies, which must to be funded from sources other than improvement fee SDCs. The portion of growth-required costs to be funded with SDCs must be identified in the CIP. Because discounts reduce SDC revenues, they increase the amounts that must come from other sources, such as user fees or general fund contributions, in order to acquire the facilities identified in the Updated Master Plan

Policy to Adjust SDCs for Inflation

The City has a policy of reviewing its SDCs on a periodic basis. Between the review dates, the city annually applies a cost adjustment index to its SDC rates to reflect changes in costs for land and construction. The specific cost index to be used, and how the index is to be applied is as follows:

(1) Notwithstanding any other provision, the dollar amounts of the SDC set forth in the SDC methodology report shall on January 1st of each year be adjusted to account for changes in the costs of acquiring and constructing facilities. The adjustment factor shall be based on:

   a. The change in construction costs according to the Engineering News Record (ENR) Northwest (Seattle, Washington) Construction Cost Index (CCI).

   b. The system development charges adjustment factor shall be used to adjust the system development charges, unless they are otherwise adjusted by the city based on a change in the costs of materials, labor, or real property; or adoption of an updated methodology.

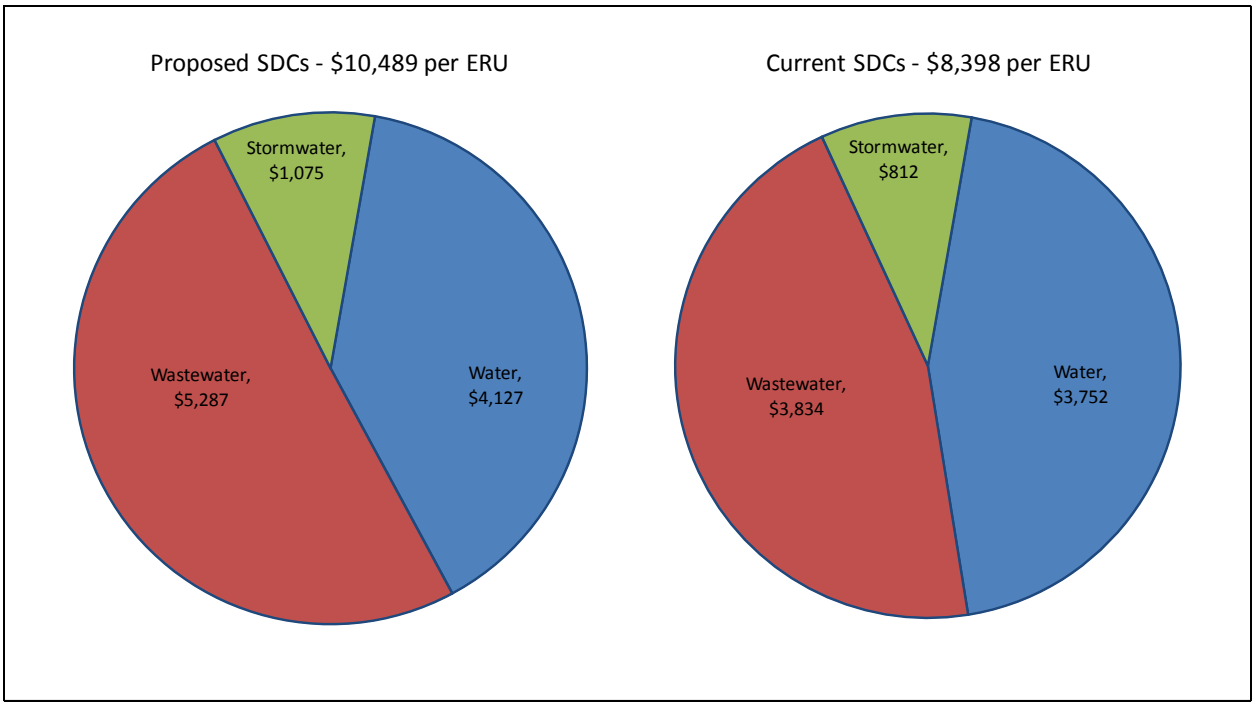
SDC Methodology Conclusions and Recommendations

The 2012 water, wastewater, and stormwater SDC methodology update was done in accordance with DCC Chapter 4, and with the benefit of adopted master plans and plan updates for the three municipal services. Our analysis indicates the City can charge a maximum of $4,127 for water, $5,287 for wastewater, and $1,075 for Stormwater. These figures are on a residential equivalent basis. The sum of these maximum

fees amounts to $10,489 per ERU; $2,091 more than the sum of the current SDCs for water, wastewater, and stormwater of $8,398.

A side by side comparison of the proposed and current schedule of water, wastewater and stormwater SDCS is shown blow in figure 5.

Figure 5 - Proposed and Current Schedule of Water, Wastewater, and Stormwater SDCs



As Figure 5 shows, there was a significant increase in the proposed wastewater SDC. When the wastewater SDC was last updated in 1999, it was assumed that the City's wastewater treatment plant was at effective full capacity, and that new users of the system would bear a preponderance of the costs to add new capacity. Since that time, the City has invested $14.5 million to upgrade facilities, and to enhance treatment processes. A significant amount of the investments in the wastewater treatment plant were made to provide future wastewater treatment capacity through 2030.

In 2008, the City invested almost $6 million to upgrade the water treatment plant capacity and provide for more finished water storage. These investments have provided additional finished water delivery capacity. The $6 million investments increased the reimbursement fee from the 2003 update of zero to the proposed value of $1,154. The improvement fee is proposed to go from the current value of $3,752 to $2,973.

The proposed stormwater SDC is $1,075, an increase of $263 from the current stormwater SDC of $812. This SDC should be updated in conjunction with the revised stormwater master plan that is currently being scheduled by the City.

Rate Study Conclusions and Recommendations

The City's utilities are well funded and managed. Over the five year near-term forecast, our modeling indicates water system revenue requirements will increase by 3.31% per year. This level of general water rate increases will be sufficient to fund projected operations and maintenance cost increases, and provide sufficient cash flows to pay increased debt service on anticipated future borrowings for water system capital improvements.

With the benefit of input from City staff and the members of the URAC we recommend the following to the City Council relative to modifications to the City's water rate structure:

- Eliminate the current split season, declining block water rate structure
- Continue to have a monthly base fee that does not vary by meter size
- Replace the split season, declining block commodity rates with a uniform average commodity rate that remains constant across the entire range of water consumption.
- Establish differentiated uniform commodity rates for residential and commercial customer classes. These differentiated commodity rates are based on each class's respective contribution to peak day demand. The estimated commodity rates for FY14 are:
    - ✓ Residential - $1.7262 per Ccf
    - ✓ Commercial - $1.3387 per Ccf
- Establish a policy on the development of industrial water rates that is flexible and will allow the City to attract and retain an industrial customer base

In the case of the wastewater system, the City appears to be in good financial shape, and our modeling indicates average annual increases in revenue requirements are projected to be 2.89% per year. The City's current wastewater rate structure conforms to industry norms, but needs some modifications for rate equity and to better facilitate the City's management of the types and strengths of discharges that enter the wastewater system. The most significant recommended changes to the current schedule of wastewater rates are:

- Move commercial and multifamily wastewater customers off of the "winter average" method of estimating flows to the wastewater system; and replace it with actual monthly metered water consumption for each respective commercial and multifamily customer.
- Modify the current single commercial customer class, and expand it to include low, medium, and high strength sub classes.
- Create a new industrial extra strength customer class

Concerning the storm and surface water management system, currently, SWM work is funded from wastewater rates and to a lesser extent from stormwater SDCs. We recommend the City start working on a dedicated funding source for stormwater work through the creation of a stormwater utility. It is likely that stormwater costs will continue to increase and will occupy a growing proportion of the wastewater rate over time. However, without a current master plan on file to guide the program, the creation of a stormwater utility at this time would be premature.

- Before any action is considered for the creation of a standalone stormwater utility, the City should first commission a new stormwater master plan

The City's SDC methodologies have not been reviewed/updated for some time (8 years for water and stormwater, and 13 years for wastewater). The project team reviewed the methodologies from scratch, and presented their findings to City staff and the URAC. We recommend the following to the Council relative to water, wastewater, and stormwater SDC methodologies:

- Change the current SDC methodology for water, wastewater, and storm to include reimbursement fees
- Update the current improvement fees to take the most current adopted capital improvement plans into account for water, wastewater, and storm
- Upon Council approval, direct City staff to comply with the statutory notice provisions contained in ORS 223.304
- Between SDC methodology updates, adjust water, wastewater, and storm SDCs for inflation based on an annual changes in the Engineering News Record's Construction Cost Index for the City of Seattle.

Neighboring Communities' Utility Rates and SDCs

Shown below in Figures 6 and 7 are charts that compare the current and proposed utility rates and SDCs for a single family customer in Dallas to the same charges in similar communities in western Oregon.

Figure 6 - Comparison of Neighboring Communities' Utility Rates

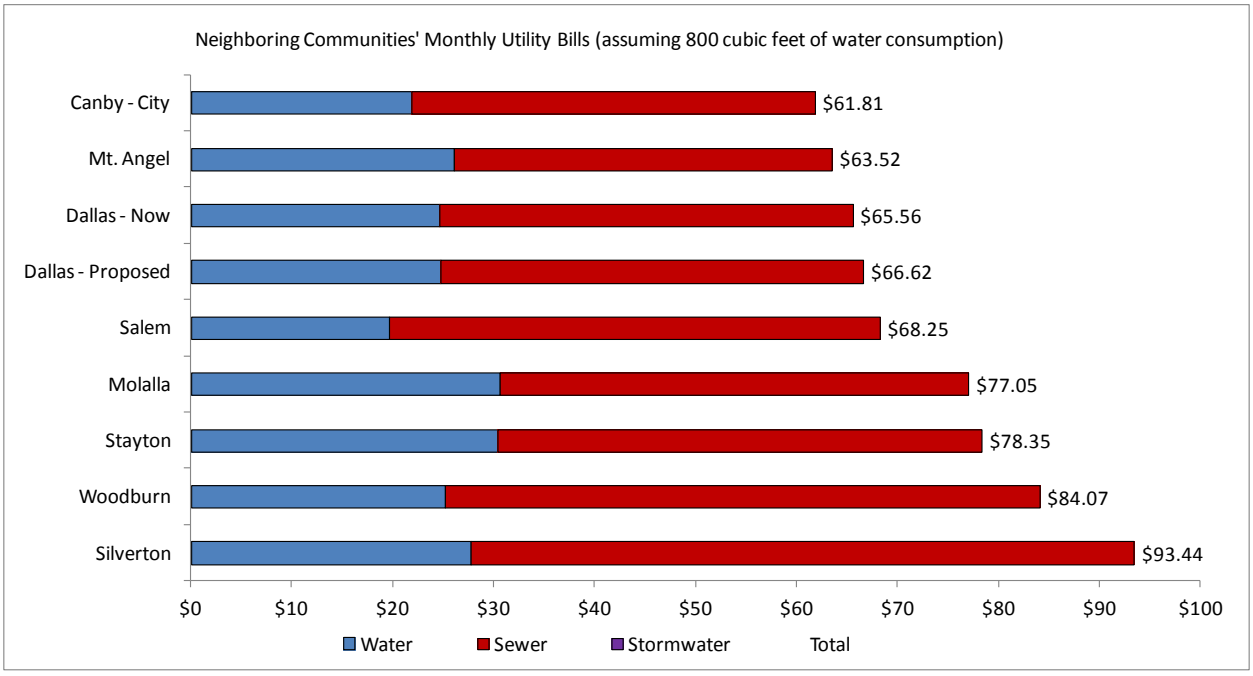
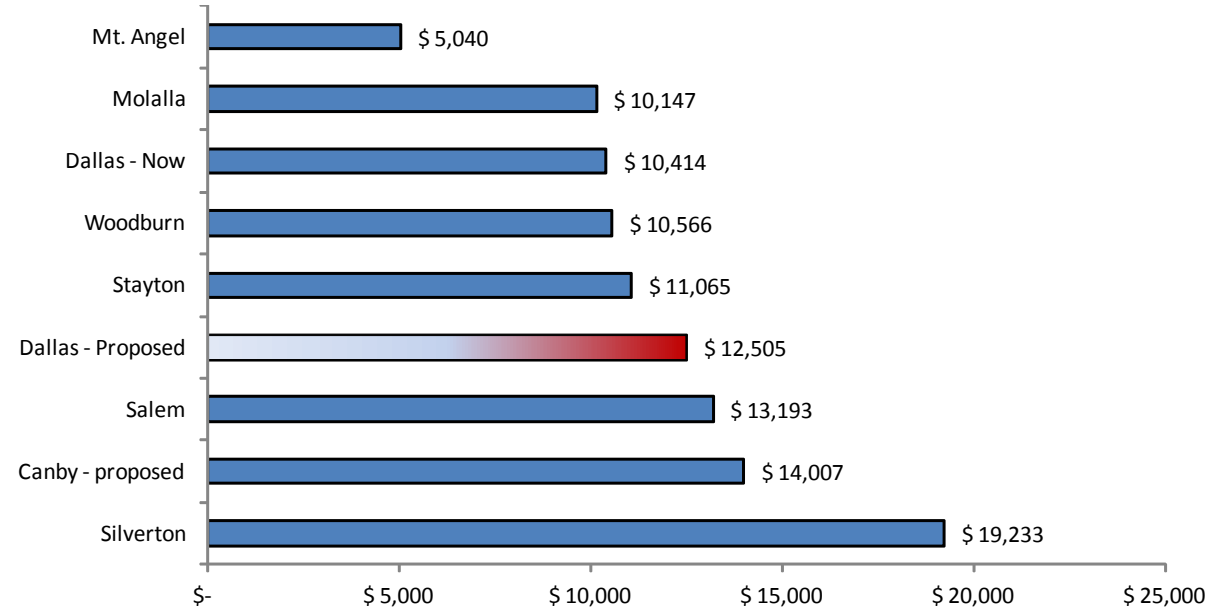


Figure 7 - Comparison of Neighboring Communities' SDCs

City of Dallas - 2013 Utilities Rate Study
Comparison of SDCs per Single-Family Detached Dwelling

Jurisdiction	Water	Sewer	Storm	Streets	Parks	Total
Silverton	4,964	4,663	2,072	3,135	4,399	$ 19,233
Canby - proposed	3,333	2,571	161	2,955	4,987	$ 14,007
Salem	3,500	3,500	494	1,954	3,745	$ 13,193
Dallas - Proposed	4,127	5,287	1,075	1,016	1,000	$ 12,505
Stayton	2,670	3,528	-	2,562	2,305	$ 11,065
Woodburn	2,085	2,977	220	3,532	1,752	$ 10,566
Dallas - Now	3,752	3,834	812	1,016	1,000	$ 10,414
Molalla	2,113	3,903	289	2,939	903	$ 10,147
Mt. Angel	2,338	1,250	96	1,301	55	$ 5,040



Appendix A – Water Rate Model Output Tables

Water Rates Step 1 - Functional Allocation of Revenue Requirements

- Functions are:
  - Source of Supply
  - T & D System
  - Customer Accounts
  - G & A
    - Debt Svc
    - OMI contract
    - Gen. Fund transfer

	2013	2014	2015	2016	2017	2018
Net Revenue Requirement by Function:						
Source of Supply						
land, buildings and impoundment	107,132	111,908	116,952	122,282	127,917	133,879
reservoir	107,132	111,908	116,952	122,282	127,917	133,879
water treatment equipment	404,635	421,401	439,040	457,608	477,165	497,775
fees, permits	-	-	-	-	-	-
laboratory testing	-	-	-	-	-	-
vehicles, tools. & misc.	-	-	-	-	-	-
source of supply total	618,900	645,217	672,944	702,171	732,999	765,533
Transmission and Distribution System						
distribution reservoirs	113,863	117,278	120,797	124,421	128,153	131,998
transmission & distribution mains	274,850	283,096	291,588	300,336	309,346	318,626
services	29,369	30,250	31,157	32,092	33,055	34,046
hydrants	24,994	25,744	26,516	27,311	28,131	28,975
fees, permits	-	-	-	-	-	-
tools, shop, and garage equipment	9,475	9,759	10,052	10,354	10,664	10,984
transmission & distribution mains total	452,550	466,127	480,110	494,514	509,349	524,629
Customer Account Expense						
meter reading and services	-	-	-	-	-	-
customer collection & services	118,750	122,313	125,982	129,761	133,654	137,664
postage, supplies	-	-	-	-	-	-
customer accounts expense total	118,750	122,313	125,982	129,761	133,654	137,664
General and Administrative Expense						
General & Administrative	820,250	844,365	869,992	894,104	917,968	938,521
office supplies	-	-	-	-	-	-
telephone	12,000	12,360	12,731	13,113	13,506	13,911
contract services	15,050	15,502	15,967	16,446	16,939	17,447
employee costs	8,000	8,240	8,487	8,742	9,004	9,274
insurance - general	12,000	12,360	12,731	13,113	13,506	13,911
long term supply development	-	-	-	-	-	-
general and administrative expense total	867,300	892,827	919,908	945,517	970,924	993,065
Total Net Revenue Requirement by Function	2,057,500	2,126,483	2,198,943	2,271,963	2,346,926	2,420,892
Checksum	2,057,500	2,126,483	2,198,943	2,271,963	2,346,926	2,420,892
Checksum error	-	-	-	-	-	-

Water Rates Step 2 – Assignment of Functional Costs to BEC

- Meters & Services and Billing costs are recovered from the monthly base charge
- Base and extra capacity charges are recovered from the volume (commodity) charge

		Variable		Fixed		
		Extra Capacity		Customer Costs		
Line Item Description	Base	Max Day	Max hour	Meters & Services	Billing	BEC Total
Forecast Year: **2013**						
Source of Supply	403,996	214,904	-	-	-	618,900
Transmission and Distribution System	246,102	137,632	68,816	-	-	452,550
Customer Account Expense	-	-	-	-	118,750	118,750
General and Administrative Expense	-	-	-	867,300	-	867,300
Total	$ 650,098	$ 352,536	$ 68,816	$ 867,300	$ 118,750	$ 2,057,500
Forecast Year: **2014**						
Source of Supply	421,408	223,809	-	-	-	645,217
Transmission and Distribution System	253,485	141,761	70,880	-	-	466,127
Customer Account Expense	-	-	-	-	122,313	122,313
General and Administrative Expense	-	-	-	892,827	-	892,827
Total	$ 674,894	$ 365,569	$ 70,880	$ 892,827	$ 122,313	$ 2,126,483
Forecast Year: **2015**						
Source of Supply	439,767	233,177	-	-	-	672,944
Transmission and Distribution System	261,090	146,014	73,007	-	-	480,110
Customer Account Expense	-	-	-	-	125,982	125,982
General and Administrative Expense	-	-	-	919,908	-	919,908
Total	$ 700,857	$ 379,190	$ 73,007	$ 919,908	$ 125,982	$ 2,198,943
Forecast Year: **2016**						
Source of Supply	459,133	243,038	-	-	-	702,171
Transmission and Distribution System	268,923	150,394	75,197	-	-	494,514
Customer Account Expense	-	-	-	-	129,761	129,761
General and Administrative Expense	-	-	-	945,517	-	945,517
Total	$ 728,056	$ 393,432	$ 75,197	$ 945,517	$ 129,761	$ 2,271,963
Forecast Year: **2017**						
Source of Supply	479,574	253,425	-	-	-	732,999
Transmission and Distribution System	276,990	154,906	77,453	-	-	509,349
Customer Account Expense	-	-	-	-	133,654	133,654
General and Administrative Expense	-	-	-	970,924	-	970,924
Total	$ 756,565	$ 408,331	$ 77,453	$ 970,924	$ 133,654	$ 2,346,926
Forecast Year: **2018**						
Source of Supply	501,162	264,371	-	-	-	765,533
Transmission and Distribution System	285,300	159,553	79,776	-	-	524,629
Customer Account Expense	-	-	-	-	137,664	137,664
General and Administrative Expense	-	-	-	993,065	-	993,065
Total	$ 786,462	$ 423,924	$ 79,776	$ 993,065	$ 137,664	$ 2,420,892

Water Rates Step 3 – Calculate Monthly Base Charge

- One size fits all approach currently used by the City

City of Dallas, Oregon
Water System Rate Study Update 2012
Calculation of Forecasted Customer Charges ($/Account/Month)

	Budget	Forecast				
	2013	2014	2015	2016	2017	2018
Net revenue requirement - customer costs						
Meters & Services	867,300	892,827	919,908	945,517	970,924	993,065
Billing	118,750	122,313	125,982	129,761	133,654	137,664
Total	986,050	1,015,139	1,045,890	1,075,278	1,104,578	1,130,729
Number of equivalent customers/bills:						
Per month	5,216	5,242	5,268	5,295	5,321	5,348
Annual	62,592	62,905	63,219	63,535	63,853	64,172
Unit charge per equivalent customer:						
Meters & Services	13.8564	14.1933	14.5510	14.8817	15.2056	15.4750
Billing	1.8972	1.9444	1.9928	2.0423	2.0932	2.1452
Total	$ 15.7536	$ 16.1377	$ 16.5438	$ 16.9241	$ 17.2987	$ 17.6202

- Alternative approach – Base fee on sliding scale based on capacity to serve

City of Dallas, Oregon
Water System Rate Study Update 2012
Calculation of Forecasted Customer Charges by Meter Size ($/Meter/Month)

	Budget	Forecast				
	2013	2014	2015	2016	2017	2018
Meter Size:						
5/8" x 3/4"	$ 15.75	$ 16.14	$ 16.54	$ 16.92	$ 17.30	$ 17.62
3/4" x 3/4"	$ 15.75	$ 16.14	$ 16.54	$ 16.92	$ 17.30	$ 17.62
1 inch	$ 26.25	$ 26.90	$ 27.57	$ 28.20	$ 28.83	$ 29.37
1 & 1/2 inch	$ 52.50	$ 53.80	$ 55.13	$ 56.40	$ 57.67	$ 58.73
2 inch	$ 84.00	$ 86.08	$ 88.21	$ 90.24	$ 92.27	$ 93.97
3 inch	$ 183.75	$ 188.30	$ 192.97	$ 197.40	$ 201.83	$ 205.57
4 inch	$ 315.00	$ 322.80	$ 330.80	$ 338.40	$ 346.00	$ 352.40
6 inch	$ 656.25	$ 672.50	$ 689.17	$ 705.00	$ 720.83	$ 734.17
8 inch	$ 945.00	$ 968.40	$ 992.40	$ 1,015.20	$ 1,038.00	$ 1,057.20

Water Rates Step 4 – Calculate Use (Commodity) Charge

- Residential commodity rates are higher than commercial:
  - Residential peaking factor = 2.17
  - Commercial peaking factor = 1.46

Line Item Description	Budget 2013	Forecast 2014	2015	2016	2017	2018
Estimated annual water sales in Ccf:						
Residential	612,662	615,725	618,804	621,898	625,007	628,132
Commercial	36,039	36,219	36,400	36,582	36,765	36,949
Wholesale	-	-	-	-	-	-
Total	648,701	651,945	655,204	658,480	661,773	665,082
Base charge:						
Forecasted base cost revenue requirement	$ 650,098	$ 674,894	$ 700,857	$ 728,056	$ 756,565	$ 786,462
Base charge:						
Residential	1.0022	1.0352	1.0697	1.1057	1.1432	1.1825
Commercial	1.0022	1.0352	1.0697	1.1057	1.1432	1.1825
Wholesale	N/A	N/A	N/A	N/A	N/A	N/A
Extra capacity charge:						
Maximum day charge:						
Forecasted maximum day revenue requirement	$ 352,536	$ 365,569	$ 379,190	$ 393,432	$ 408,331	$ 423,924
Maximum day extra capacity charge:						
Residential	0.5624	0.5803	0.5989	0.6183	0.6385	0.6596
Commercial	0.2218	0.2288	0.2362	0.2438	0.2518	0.2601
Wholesale	N/A	N/A	N/A	N/A	N/A	N/A
Maximum hour charge:						
Forecasted maximum hour revenue requirement	$ 68,816	$ 70,880	$ 73,007	$ 75,197	$ 77,453	$ 79,776
Maximum hour extra capacity charge:						
Residential	0.1080	0.1107	0.1135	0.1163	0.1192	0.1222
Commercial	0.0728	0.0746	0.0765	0.0784	0.0803	0.0823
Wholesale	N/A	N/A	N/A	N/A	N/A	N/A
Commodity charge summary:						
Residential						
Base	1.0022	1.0352	1.0697	1.1057	1.1432	1.1825
Maximum day	0.5624	0.5803	0.5989	0.6183	0.6385	0.6596
Maximum hour	0.1080	0.1107	0.1135	0.1163	0.1192	0.1222
Total	1.6726	1.7262	1.7820	1.8403	1.9009	1.9643
Commercial						
Base	1.0022	1.0352	1.0697	1.1057	1.1432	1.1825
Maximum day	0.2218	0.2288	0.2362	0.2438	0.2518	0.2601
Maximum hour	0.0728	0.0746	0.0765	0.0784	0.0803	0.0823
Total	1.2967	1.3387	1.3823	1.4279	1.4754	1.5249
Wholesale						
Base	N/A	N/A	N/A	N/A	N/A	N/A
Maximum day	N/A	N/A	N/A	N/A	N/A	N/A
Maximum hour	N/A	N/A	N/A	N/A	N/A	N/A
Total	-	-	-	-	-	-

Water Rates Step 5 – Proposed Rates Near Revenue Neutral

- Assumes first 3 Ccf are priced in the base charge
- No outer consumption blocks
- Eliminates summer discount pricing
- Creates new commercial water rate

Line Item Description	Budget 2013	Forecast 2014	2015	2016	2017	2018
Inside City:						
Base charge (monthly)	$ 15.7536	$ 16.1377	$ 16.5438	$ 16.9241	$ 17.2987	$ 17.6202
Use (commodity) charge						
Residential						
Base	1.0022	1.0352	1.0697	1.1057	1.1432	1.1825
Extra capacity - maximum day	0.5624	0.5803	0.5989	0.6183	0.6385	0.6596
Extra capacity - maximum hour	0.1080	0.1107	0.1135	0.1163	0.1192	0.1222
Total	1.6726	1.7262	1.7820	1.8403	1.9009	1.9643
Commercial/Industrial:						
Base	1.0022	1.0352	1.0697	1.1057	1.1432	1.1825
Extra capacity - maximum day	0.2218	0.2288	0.2362	0.2438	0.2518	0.2601
Extra capacity - maximum hour	0.0728	0.0746	0.0765	0.0784	0.0803	0.0823
Total	1.2967	1.3387	1.3823	1.4279	1.4754	1.5249
Wholesale:						
Base	N/A	N/A	N/A	N/A	N/A	N/A
Extra capacity - maximum day	N/A	N/A	N/A	N/A	N/A	N/A
Extra capacity - maximum hour	N/A	N/A	N/A	N/A	N/A	N/A
Total	-	-	-	-	-	-
Outside City:						
Base charge (monthly)	$ 31.51	$ 32.28	$ 33.09	$ 33.85	$ 34.60	$ 35.24
Use (commodity) charge						
Residential:						
Base	1.5032	1.5528	1.6045	1.6585	1.7149	1.7738
Extra capacity - maximum day	0.8436	0.8704	0.8983	0.9274	0.9578	0.9894
Extra capacity - maximum hour	0.1621	0.1661	0.1702	0.1745	0.1788	0.1832
Total	2.5088	2.5893	2.6731	2.7604	2.8514	2.9464
Commercial/Industrial:						
Base	1.5032	1.5528	1.6045	1.6585	1.7149	1.7738
Extra capacity - maximum day	0.3327	0.3433	0.3543	0.3658	0.3777	0.3902
Extra capacity - maximum hour	0.1092	0.1119	0.1147	0.1176	0.1205	0.1235
Total	1.9451	2.0080	2.0735	2.1418	2.2131	2.2874

Water Rates Step 5A – Proposed Conservation Pricing Rates

- Assumes variable monthly base charges
- 3 outer consumption blocks for residential @ 10% increase per block
- 1 outer consumption block for commercial @ 10% increase
- Eliminates summer discount pricing

	2013	2014	2015	2016	2017	2018
Inside City:						
Base charge (monthly)						
Meter Size:						
5/8" x 3/4"	$ 15.75	$ 16.14	$ 16.54	$ 16.92	$ 17.30	$ 17.62
3/4" x 3/4"	15.75	16.14	16.54	16.92	17.30	17.62
1 inch	26.25	26.90	27.57	28.20	28.83	29.37
1 & 1/2 inch	52.50	53.80	55.13	56.40	57.67	58.73
2 inch	84.00	86.08	88.21	90.24	92.27	93.97
3 inch	183.75	188.30	192.97	197.40	201.83	205.57
4 inch	315.00	322.80	330.80	338.40	346.00	352.40
Use Charge ($/Ccf)						
Residential and Multifamily						
Zero to 300 cubic feet	-	-	-	-	-	-
400 cubic feet to1,900 cubic feet	1.67	1.73	1.78	1.84	1.90	1.96
2,000 cubic feet to 3,800 cubic feet	1.84	1.90	1.96	2.02	2.09	2.16
3,900 cubic feet to 5,700 cubic feet	2.01	2.07	2.14	2.21	2.28	2.36
Over 5,700 cubic feet	2.17	2.24	2.32	2.39	2.47	2.55
Commercial/Industrial						
Zero to 300 cubic feet	-	-	-	-	-	-
400 cubic feet to 50,000 cubic feet	1.30	1.34	1.38	1.43	1.48	1.52
Over 50,000 cubic feet	1.43	1.47	1.52	1.57	1.62	1.68
Outside City:						
Base charge (monthly)						
Meter Size:						
5/8" x 3/4"	31.50	32.28	33.08	33.84	34.60	35.24
3/4" x 3/4"	31.50	32.28	33.08	33.84	34.60	35.24
1 inch	52.50	53.80	55.13	56.40	57.67	58.73
1 & 1/2 inch	105.00	107.60	110.27	112.80	115.33	117.47
2 inch	168.00	172.16	176.43	180.48	184.53	187.95
3 inch	367.50	376.60	385.93	394.80	403.67	411.13
4 inch	630.00	645.60	661.60	676.80	692.00	704.80
Use Charge ($/Ccf)						
Residential and Multifamily						
Zero to 300 cubic feet	-	-	-	-	-	-
400 cubic feet to 2,300 cubic feet	2.51	2.59	2.67	2.76	2.85	2.95
2,400 cubic feet to 4,300 cubic feet	2.76	2.85	2.94	3.04	3.14	3.24
4,400 cubic feet to 6,300 cubic feet	3.01	3.11	3.21	3.31	3.42	3.54
Over 6,400 cubic fee	3.26	3.37	3.47	3.59	3.71	3.83
Commercial/Industrial						
Zero to 300 cubic feet	-	-	-	-	-	-
400 cubic feet to 50,000 cubic feet	1.95	2.01	2.07	2.14	2.21	2.29
Over 50,000 cubic feet	2.14	2.21	2.28	2.36	2.43	2.52

Appendix B – Wastewater Rate Model Output Tables

Sewer Rates – Step 1

- Determine system cost factors based on actual demand

City of Dallas
Wastewater Rate Study Update - 2012
Wastewater Treatment Plant Balance - 2011

	Flow		BOD		TSS	
	Million Gallons	Ccf	Pounds	mg/l	Pounds	mg/l
Observed Plant Loadings - 2011	**831.03**	**1,110,854**	**659,207**	**95**	**1,026,651**	**148**
Customer Contributions - Fiscal 2011:						
Single family residential	264.42	353,462	441,121	200	441,121	200
Multi-family residential	118.31	158,145	197,365	200	197,365	200
Commercial I	66.98	89,538	111,743	200	111,743	200
Commercial II	0.00	0	0	250	0	250
Commercial III	0.00	0	0	300	0	300
High Strength (based on annual metered flow)	0.00	0	0	350	0	350
Total customer contributions to plant loadings	449.72	601,145	750,229	200	750,229	200
Total customer contributions as a percent of plant loadings	54%	54%	114%		73%	
Imputed Infiltration and Inflow (I&I) Contributions:	381.31	509,709	(91,022)		276,422	
I&I as a percent of observed loadings	46%	46%	-14%		27%	
Total Customer and Imputed I&I Contributions	**831.03**	**1,110,854**	**659,207**	**95**	**1,026,651**	**148**

Sewer Rates – Step 2

- Group customers with similar usage characteristics

City of Dallas
Forecast of Wastewater System Demand Constituents

	BOD mg/l	TSS mg/l	Actual 2012	Budget 2013	Forecast 2014	2015	2016	2017	2018
Standard conversion factors:									
(mg/l) --> (lbs/ccf) 0.00624									
Billable Flow (Q): Ccf									
Single Family Residential (based on winter average)			353,462	355,229	357,005	358,790	360,584	362,387	364,199
Multi-Family (based on annual metered flow)			158,145	158,936	159,730	160,529	161,332	162,138	162,949
Commercial I domestic strength (based on annual metered flow)			89,538	89,986	90,436	90,888	91,342	91,799	92,258
Commercial II medium strenght (based on annual metered flow)			0	0	0	0	0	0	0
Commercial III high strength (based on annual metered flow)			0	0	0	0	0	0	0
High Strength (based on annual metered flow)			0	0	0	0	0	0	0
Total billable flow (Q) Ccf			601,145	604,151	607,171	610,207	613,258	616,325	619,406
Biochemical Oxygen Demand (BOD) Pounds:									
Single Family Residential (based on winter average)	200		441,121	443,326	445,543	447,771	450,009	452,259	454,521
Multi-Family (based on annual metered flow)	200		197,365	198,352	199,344	200,340	201,342	202,349	203,360
Commercial I domestic strength (based on annual metered flow)	200		111,743	112,302	112,864	113,428	113,995	114,565	115,138
Commercial II medium strenght (based on annual metered flow)	250		0	0	0	0	0	0	0
Commercial III high strength (based on annual metered flow)	300		0	0	0	0	0	0	0
High Strength (based on annual metered flow)	350		0	0	0	0	0	0	0
Total billable pounds BOD			750,229	753,980	757,750	761,539	765,346	769,173	773,019
Total Suspended Solids (TSS) Pounds:									
Single Family Residential (based on winter average)		200	441,121	443,326	445,543	447,771	450,009	452,259	454,521
Multi-Family (based on annual metered flow)		200	197,365	198,352	199,344	200,340	201,342	202,349	203,360
Commercial I domestic strength (based on annual metered flow)		200	111,743	112,302	112,864	113,428	113,995	114,565	115,138
Commercial II medium strenght (based on annual metered flow)		250	0	0	0	0	0	0	0
Commercial III high strength (based on annual metered flow)		300	0	0	0	0	0	0	0
High Strength (based on annual metered flow)		350	0	0	0	0	0	0	0
Total billable pounds TSS			750,229	753,980	757,750	761,539	765,346	769,173	773,019
Customer Accounts:									
Single Family Residential (based on winter average)			3,946	3,966	3,986	4,006	4,026	4,046	4,066
Multi-Family Dwelling Units(based on annual metered flow)			1,623	1,631	1,639	1,647	1,655	1,664	1,672
Commercial I domestic strength (based on annual metered flow)			257	258	259	261	262	263	264
Commercial II medium strenght (based on annual metered flow)			0	0	0	0	0	0	0
Commercial III high strength (based on annual metered flow)			0	0	0	0	0	0	0
High Strength (based on annual metered flow)			0	0	0	0	0	0	0
Total customer accounts and dwelling units			5,826	5,855	5,884	5,914	5,943	5,973	6,003

Sewer Rates – Step 3

- Allocate costs to customer classes proportionate to system demands

Variable **Fixed**

	Flow (Q)	Strength of Discharge BOD	Strength of Discharge TSS	Customer Accounts	Industrial Pre-treatment	Storm	Total
Forecast Year: **2013**							
Gross Revenue Requirements							
Personal services	283,204	70,423	70,385	106,911	-	56,577	587,500
Materials and services	110,871	27,570	27,555	1,315,355	-	22,149	1,503,500
Capital outlays	76,513	6,593	6,589	10,009	-	5,297	105,000
Transfers	-	-	-	-	-	-	-
Debt Service:	-	-	-	1,005,650	-	-	1,005,650
Subtotal Gross Revenue Requirements	470,587	104,586	104,530	2,437,925	-	84,022	3,201,650
Revenue Offsets:	91,204	22,679	22,667	71,880	-	18,220	226,650
Net Revenues Required From Rates	$ 379,384	$ 81,907	$ 81,863	$ 2,366,045	$ -	$ 65,802	$ 2,975,000
Forecast Year: **2014**							
Gross Revenue Requirements							
Personal services	297,171	73,896	73,857	112,184	-	59,367	616,475
Materials and services	114,197	28,397	28,382	1,354,815	-	22,814	1,548,605
Capital outlays	78,808	6,791	6,787	10,309	-	5,455	108,150
Transfers	-	-	-	-	-	-	-
Debt Service:	-	-	-	1,004,550	-	-	1,004,550
Subtotal Gross Revenue Requirements	490,176	109,084	109,025	2,481,858	-	87,636	3,277,780
Revenue Offsets:	98,622	24,524	24,511	50,872	-	19,702	218,232
Net Revenues Required From Rates	$ 391,554	$ 84,560	$ 84,515	$ 2,430,986	$ -	$ 67,934	$ 3,059,548
Forecast Year: **2015**							
Gross Revenue Requirements							
Personal services	311,995	77,583	77,541	117,780	-	62,328	647,227
Materials and services	117,623	29,249	29,233	1,395,460	-	23,498	1,595,063
Capital outlays	81,172	6,994	6,991	10,618	-	5,619	111,395
Transfers	-	-	-	-	-	-	-
Debt Service:	-	-	-	1,183,580	-	-	1,183,580
Subtotal Gross Revenue Requirements	510,790	113,826	113,765	2,707,438	-	91,445	3,537,264
Revenue Offsets:	184,059	45,769	45,745	76,541	-	36,770	388,884
Net Revenues Required From Rates	$ 326,732	$ 68,057	$ 68,020	$ 2,630,896	$ -	$ 54,675	$ 3,148,381

Sewer Rates – Step 4 Calculate Base Charge

- For FY14 total monthly base charge is $35.39
- Storm component is $0.96 per account/DU
- Assumes MF is charged per dwelling unit

	Budget	Forecast				
	2013	2014	2015	2016	2017	2018
Base charge revenue requirements:						
Customer accounts	$ 2,366,045	$ 2,430,986	$ 2,630,896	$ 2,751,021	$ 2,800,461	$ 2,848,147
Industrial pre-treatment	-	-	-	-	-	-
Storm and surface water management	65,802	67,934	54,675	51,125	56,382	61,807
Total	2,431,847	2,498,920	2,685,572	2,802,146	2,856,842	2,909,954
Checksum	2,431,847	2,498,920	2,685,572	2,802,146	2,856,842	2,909,954
Number of equivalent accounts:						
Single Family Residential	3,966	3,986	4,006	4,026	4,046	4,066
Multi-Family Dwelling Units	1,631	1,639	1,647	1,655	1,664	1,672
Commercial I	258	259	261	262	263	264
Commercial II	0	0	0	0	0	0
Commercial III	0	0	0	0	0	0
High Strength	0	0	0	0	0	0
Total	5,855	5,884	5,914	5,943	5,973	6,003
Checksum	5,855	5,884	5,914	5,943	5,973	6,003
Number of equivalent bills per year:						
Single Family Residential	47,593	47,831	48,070	48,311	48,552	48,795
Multi-Family Dwelling Units	19,570	19,668	19,767	19,865	19,965	20,065
Commercial I	3,095	3,111	3,126	3,142	3,158	3,174
Commercial II	0	0	0	0	0	0
Commercial III	0	0	0	0	0	0
High Strength	0	0	0	0	0	0
Total	70,259	70,611	70,964	71,318	71,675	72,033
Base charge:						
Monthly						
Customer accounts	$ 33.6759	$ 34.4281	$ 37.0739	$ 38.5738	$ 39.0716	$ 39.5393
Industrial pre-treatment	-	-	-	-	-	-
Storm and surface water management	0.9366	0.9621	0.7705	0.7169	0.7866	0.8580
Total	$ 34.6125	$ 35.3902	$ 37.8443	$ 39.2906	$ 39.8583	$ 40.3973

Sewer Rates – Step 5 Calculate Use Charge

- Assumes domestic strength for SFR, MF, and Com I
- Assumes Medium strength for Com II
- Assumes High strength fro Com III
- Must amend development code to define new Com classes

	Budget	Forecast				
	2013	2014	2015	2016	2017	2018
Single Family Residential						
Sanitary flow and I&I	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
Strength - BOD	0.13557	0.13927	0.11153	0.10377	0.11387	0.12421
Strength - TSS	0.13550	0.13919	0.11147	0.10371	0.11381	0.12414
Total - $/Ccf	0.89904	0.92334	0.75845	0.71388	0.77691	0.84141
Multi-Family						
Sanitary flow and I&I	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
Strength - BOD	0.13557	0.13927	0.11153	0.10377	0.11387	0.12421
Strength - TSS	0.13550	0.13919	0.11147	0.10371	0.11381	0.12414
Total - $/Ccf	0.89904	0.92334	0.75845	0.71388	0.77691	0.84141
Commercial I						
Sanitary flow and I&I	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
Strength - BOD	0.13557	0.13927	0.11153	0.10377	0.11387	0.12421
Strength - TSS	0.13550	0.13919	0.11147	0.10371	0.11381	0.12414
Total - $/Ccf	0.89904	0.92334	0.75845	0.71388	0.77691	0.84141
Commercial II						
Sanitary flow and I&I	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
Strength - BOD	0.16947	0.17409	0.13941	0.12971	0.14234	0.15526
Strength - TSS	0.16938	0.17399	0.13934	0.12964	0.14226	0.15517
Total - $/Ccf	0.96680	0.99296	0.81420	0.76575	0.83383	0.90350
Commercial III						
Sanitary flow and I&I	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
Strength - BOD	0.20336	0.20890	0.15565	0.15565	0.17080	0.18631
Strength - TSS	0.20325	0.20879	0.15557	0.15557	0.17071	0.18621
Total - $/Ccf	1.03457	1.06258	0.84667	0.81762	0.89075	0.96558
High Strength						
Sanitary flow and I&I - $/Ccf	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
BOD - $/lb	0.23725	0.24372	0.19518	0.18160	0.19927	0.21736
TSS - $/lb	0.23713	0.24359	0.19507	0.18150	0.19916	0.21724
Total - $/Ccf	1.10234	1.13219	0.92570	0.86949	0.94767	1.02767

Sewer Rates – Step 6 Proposed Rates

- Assumes SFR continues to be billed on flat rates
- All other classes to be billed on real time consumption basis

Line Item Description	Budget 2013	Forecast 2014	2015	2016	2017	2018
Consumption Based Rates:						
Customer Account Service (BASE) Charges:						
Inside City monthly	$ 34.61247	$ 35.39017	$ 37.84435	$ 39.29063	$ 39.85826	$ 40.39729
Commodity (USE) Charges:						
Single Family Residential						
Sanitary flow and I&I	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
Strength - BOD	0.13557	0.13927	0.11153	0.10377	0.11387	0.12421
Strength - TSS	0.13550	0.13919	0.11147	0.10371	0.11381	0.12414
Total - $/Ccf	$ 0.89904	$ 0.92334	$ 0.75845	$ 0.71388	$ 0.77691	$ 0.84141
Multi-Family						
Sanitary flow and I&I	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
Strength - BOD	0.13557	0.13927	0.11153	0.10377	0.11387	0.12421
Strength - TSS	0.13550	0.13919	0.11147	0.10371	0.11381	0.12414
Total - $/Ccf	$ 0.89904	$ 0.92334	$ 0.75845	$ 0.71388	$ 0.77691	$ 0.84141
Commercial I						
Sanitary flow and I&I	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
Strength - BOD	0.13557	0.13927	0.11153	0.10377	0.11387	0.12421
Strength - TSS	0.13550	0.13919	0.11147	0.10371	0.11381	0.12414
Total - $/Ccf	$ 0.89904	$ 0.92334	$ 0.75845	$ 0.71388	$ 0.77691	$ 0.84141
Commercial II						
Sanitary flow and I&I	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
Strength - BOD	0.16947	0.17409	0.13941	0.12971	0.14234	0.15526
Strength - TSS	0.16938	0.17399	0.13934	0.12964	0.14226	0.15517
Total - $/Ccf	$ 0.96680	$ 0.99296	$ 0.81420	$ 0.76575	$ 0.83383	$ 0.90350
Commercial III						
Sanitary flow and I&I	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
Strength - BOD	0.20336	0.20890	0.15565	0.15565	0.17080	0.18631
Strength - TSS	0.20325	0.20879	0.15557	0.15557	0.17071	0.18621
Total - $/Ccf	$ 1.03457	$ 1.06258	$ 0.84667	$ 0.81762	$ 0.89075	$ 0.96558
High Strength						
Sanitary flow and I&I - $/Ccf	0.62796	0.64488	0.53544	0.50640	0.54923	0.59307
BOD - $/lb	0.23725	0.24372	0.19518	0.18160	0.19927	0.21736
TSS - $/lb	0.23713	0.24359	0.19507	0.18150	0.19916	0.21724
Total - $/Ccf	$ 1.10234	$ 1.13219	$ 0.92570	$ 0.86949	$ 0.94767	$ 1.02767
Flat Monthly Rates:						
Single Family Residential flat rate:						
BASE charge	$ 34.61	$ 35.39	$ 37.84	$ 39.29	$ 39.86	$ 40.40
USE charge	6.29	6.46	5.31	5.00	5.44	5.89
Total - $/account/month	$ 40.91	$ 41.85	$ 43.15	$ 44.29	$ 45.30	$ 46.29

Note: High strength customers that contribute wastewater that exceed a strength threshold of 350 mg/l BOD or 350 mg/l TSS will be charged based on their actual flow and load.

Appendix C – SDC Models Output Tables

Water SDC Calculations

Existing and Future Water Demand

Dallas, Oregon
Water System Development Charge Study - 2013
Forecasted Growth in Meter Equivalents

Year	Forecasted Growth Rate	Meter Equivalents		
		Beginning of Year[1]	Additions[2]	End of Year
2012	0.50%			7,198
2013	0.50%	7,198	36	7,234
2014	0.50%	7,234	36	7,270
2015	0.50%	7,270	36	7,307
2016	0.50%	7,307	37	7,343
2017	0.50%	7,343	37	7,380
2018	0.50%	7,380	37	7,417
2019	0.50%	7,417	37	7,454
2020	0.50%	7,454	37	7,491
2021	0.50%	7,491	37	7,528
2022	0.50%	7,528	38	7,566
2023	0.50%	7,566	38	7,604
2024	0.50%	7,604	38	7,642
2025	0.50%	7,642	38	7,680
2026	0.50%	7,680	38	7,719
2027	0.50%	7,719	39	7,757
2028	0.50%	7,757	39	7,796
2029	0.50%	7,796	39	7,835
2030	0.50%	7,835	39	7,874
2031	0.50%	7,874	39	7,913
2032	0.50%	7,913	40	7,953
			755	

[1] Source - Dallas utility billing records, 2012

[2] Source - Dallas planning documents

Water Reimbursement Fee Calculations

Dallas, Oregon
Water SDC - 2013
Reimbursement Fee Calculations
Financial Data as of Fiscal Year Ended June 30, 2011

Utility Plant-in-Service (original cost):[1]		
160 Land	$	58,245
162 Infrastructure		19,573,940
164 Machinery and equipment		-
165 Auto & trucks		-
176 Construction Work-in-Progress		-
Total Utility Plant-in-Service		19,632,185
Accumulated depreciation[1]		
160 Land		-
162 Infrastructure		5,261,127
164 Machinery and equipment		-
165 Auto & trucks		-
176 Construction Work-in-Progress		-
Total accumulated depreciation		5,261,127
Book value of water utility plant-in-service @ June 30, 2011		14,371,058
Eliminating entries:		
Principal outstanding on bonds, notes, and loans payable		-
2005 Water FF&C refunding bonds		369,000
2008 OECDD Safe Drinking Water Loan		4,821,350
Developer Contributions		-
Grants, net of amortization		-
Total eliminating entries		5,190,350
Net basis in utility plant-in-service available to serve future customers	$	9,180,708
Estimated existing and future Meter Equivalents (MEs)		7,953
Calculated reimbursement fee - $/ME	$	1,154

[1] Source: Dallas Asset Depreciation Report 6/30/11

Water Improvement Fee Calculations

Dallas, Oregon
Water SDC - 2013
Allocation of Water Capital Improvement Projects to Existing and Future Customers[1]

Project Description	Estimated Cost of Improvement in 2012 Dollars	Project Costs		
		Cost Attributed to Existing Demands	Costs Attributed to Future Demands	Total Costs
Pipe Replacements	$150,000	$150,000	$0	$150,000
Outlet Pipe Modifications at Mercer Reservoir	150,000	150,000	-	150,000
Line – Plant to Clay (upsized)	1,500,000	1,005,000	495,000	1,500,000
Upper Douglas High Pressure Feeder Line	150,000	75,000	75,000	150,000
New Influent Pump	75,000	-	75,000	75,000
Contact Basin Weirs	50,000	50,000	-	50,000
On-site Chlorine Generation	400,000	300,000	100,000	400,000
Automated Meter Reading Project	2,000,000	2,000,000	-	2,000,000
Aquifer Storage and Recovery #2 and #3	1,500,000	-	1,500,000	1,500,000
Totals	$5,975,000	$3,730,000	$2,245,000	$5,975,000

Total Improvement Fee Eligible Costs for Future System Improvements	$2,245,000
Total Growth in Meter Equivalents (20 year forecast)	755
Calculated Water Improvement Fee SDC per Meter Equivalent	$2,973

Proposed Schedule of Water SDCs

City of Dallas
Schedule of Proposed Water System Development Charges
Water SDC Update - 2013

Meter Size	AWWA Rated Flow (GPM)*	Flow Factor Equivalence	Proposed Schedule of Water SDCs		
			Reimbursement	Improvement	Total
0.75"x 0.75"	15	1.00	1,154	2,973	$ 4,127
1.00 inch	25	1.67	1,923	4,955	6,878
1.50 inch	50	3.33	3,847	9,910	13,757
2.00 inch	80	5.33	6,155	15,856	22,011
3.00 inch	175	11.67	13,463	34,685	48,148
4.00 inch	300	20.00	23,080	59,460	82,540
6.00 inch	625	41.67	48,083	123,875	171,958
8.00 inch	900	60.00	69,240	178,380	247,620

* Recommended maximum rate for continuous operations; per American Water Works Association standards effective January 1, 2003 for cold water meters- displacement type, bronze main case. ANSI approval October 11, 2002. American Water Works Association ANSI/AWWA C700-02 (Revision of ANSI/AWWA C700-95).

Wastewater SDC Calculations

Existing and Future Wastewater Demand

Dallas, Oregon
Wastewater System Development Charge Study - 2013
Forecasted Growth in Equivalent Residential Units

Year	Forecasted Growth Rate	Equivalent Residential Units		
		Beginning of Year[1]	Additions[2]	End of Year
2012	0.50%	5,855	29	6,082
2013	0.50%	6,082	30	6,112
2014	0.50%	6,112	31	6,143
2015	0.50%	6,143	31	6,174
2016	0.50%	6,174	31	6,205
2017	0.50%	6,205	31	6,236
2018	0.50%	6,236	31	6,267
2019	0.50%	6,267	31	6,298
2020	0.50%	6,298	31	6,330
2021	0.50%	6,330	32	6,361
2022	0.50%	6,361	32	6,393
2023	0.50%	6,393	32	6,425
2024	0.50%	6,425	32	6,457
2025	0.50%	6,457	32	6,489
2026	0.50%	6,489	32	6,522
2027	0.50%	6,522	33	6,554
2028	0.50%	6,554	33	6,587
2029	0.50%	6,587	33	6,620
2030	0.50%	6,620	33	6,653
2031	0.50%	6,653	33	6,687
2032	0.50%	6,687	33	6,720
			638	

[1] Source - Dallas utility billing records, 2012

[2] Source - Dallas planning documents; Note that 20 year growth in ERUs = 9% of total customer base

Wastewater Reimbursement Fee Calculations

Dallas, Oregon
Wastewater SDC - 2013
Reimbursement Fee Calculations
Financial Data as of Fiscal Year Ended June 30, 2011

Utility Plant-in-Service (original cost):[1]		
160 Land	$	795,736
162 Infrastructure		30,478,432
164 Machinery and equipment		-
165 Auto & trucks		-
176 Construction Work-in-Progress		-
Total Utility Plant-in-Service		31,274,168
Accumulated depreciation[1]		
160 Land		-
162 Infrastructure		12,913,504
164 Machinery and equipment		-
165 Auto & trucks		-
176 Construction Work-in-Progress		-
Total accumulated depreciation		12,913,504
Book value of sewer utility plant-in-service @ June 30, 2011		18,360,664
Eliminating entries:		
Principal outstanding on bonds, notes, and loans payable:		
Series 1998 OECDD/SPWF loan:		240,655
DEQ SRF Loan (refunded by Series 2011 Full Faith & Credit Refunding Obligations)		8,071,097
Developer Contributions		-
Grants, net of amortization		-
Total eliminating entries		8,311,752
Net basis in utility plant-in-service available to serve future customers	$	10,048,912
Estimated existing and future Equivalent Residential Units (ERUs)		6,720
Calculated reimbursement fee - $/ERU	$	1,495

[1] Source: Dallas Asset Depreciation Report 6/30/11; 2 storm water projects noted in wastewater assets transferred to storm SDC

Wastewater Improvement Fee Calculations

Dallas, Oregon
Wastewater SDC - 2013
Allocation of Wastewater Capital Improvement Projects to Existing and Future Customers[1]

Project Description	Estimated Cost of Improvement in 2012 Dollars	Project Costs		
		Cost Attributed to Existing Demands	Costs Attributed to Future Demands	Total Costs
Purple Pipe Projects	$2,700,000	1,350,000	1,350,000	2,700,000
Siphon Replacement	300,000	201,000	99,000	300,000
CMOM Program	400,000	280,000	120,000	400,000
River Dr. Pump Station Bypass	500,000	450,000	50,000	500,000
Rickreal & Ash Creek Interceptor Sealing/Pipe Lining	1,600,000	800,000	800,000	1,600,000
Totals	$5,500,000	$3,081,000	$2,419,000	$5,500,000

Total Improvement Fee Eligible Costs for Future System Improvements	$2,419,000
Total Growth in ERUs (20 year forecast)	638
Calculated Sewer Improvement Fee SDC per ERU	$3,792

Proposed Schedule of Wastewater SDCs

City of Dallas
Schedule of Proposed Wastewater System Development Charges
Wastewater SDC Update - 2013

Meter Size	AWWA Rated Flow (GPM)*	Flow Factor Equivalence	Proposed Schedule of Wastewater SDCs		
			Reimbursement	Improvement	Total
0.75"x 0.75"	15	1.00	1,495	3,792	$ 5,287
1.00 inch	25	1.67	2,492	6,320	8,812
1.50 inch	50	3.33	4,983	12,640	17,623
2.00 inch	80	5.33	7,973	20,224	28,197
3.00 inch	175	11.67	17,442	44,240	61,682
4.00 inch	300	20.00	29,900	75,840	105,740
6.00 inch	625	41.67	62,292	158,000	220,292
8.00 inch	900	60.00	89,700	227,520	317,220

* Recommended maximum rate for continuous operations; per American Water Works Association standards effective January 1, 2003 for cold water meters- displacement type, bronze main case. ANSI approval October 11, 2002. American Water Works Association ANSI/AWWA C700-02 (Revision of ANSI/AWWA C700-95).

Stormwater SDC Calculations

Existing and Future Stormwater System Demand

Dallas, Oregon
Storm Water System Development Charge Study - 2013
Forecasted Growth in Equivalent Residential Units

Year	Forecasted Growth Rate	Equivalent Residential Units		
		Beginning of Year	Additions	End of Year
2012	0.50%	4,227	21	4,248
2013	0.50%	4,248	21	4,269
2014	0.50%	4,269	21	4,291
2015	0.50%	4,291	21	4,312
2016	0.50%	4,312	22	4,334
2017	0.50%	4,334	22	4,355
2018	0.50%	4,355	22	4,377
2019	0.50%	4,377	22	4,399
2020	0.50%	4,399	22	4,421
2021	0.50%	4,421	22	4,443
2022	0.50%	4,443	22	4,465
2023	0.50%	4,465	22	4,488
2024	0.50%	4,488	22	4,510
2025	0.50%	4,510	23	4,533
2026	0.50%	4,533	23	4,555
2027	0.50%	4,555	23	4,578
2028	0.50%	4,578	23	4,601
2029	0.50%	4,601	23	4,624
2030	0.50%	4,624	23	4,647
2031	0.50%	4,647	23	4,670
2032	0.50%	4,670	23	4,694
			446	

Stormwater Reimbursement Fee Calculations

Dallas, Oregon
Storm Water SDC - 2013
Reimbursement Fee Calculations
Financial Data as of Fiscal Year Ended June 30, 2011

Utility Plant-in-Service (original cost):[1]			
160	Land	$	-
162	Infrastructure		44,476
164	Machinery and equipment		-
165	Auto & trucks		-
176	Construction Work-in-Progress		-
	Total Utility Plant-in-Service		44,476
Accumulated depreciation[1]			
160	Land		-
162	Infrastructure		1,334
164	Machinery and equipment		-
165	Auto & trucks		-
176	Construction Work-in-Progress		-
	Total accumulated depreciation		1,334
Book value of culinary storm drainage utility plant-in-service @ June 30, 2011			43,142
Eliminating entries:			
	Principal outstanding on bonds, notes, and loans payable		-
	Developer Contributions		-
	Grants, net of amortization		-
	Total eliminating entries		-
Net basis in utility plant-in-service available to serve future customers		$	43,142
Estimated existing and future Equivalent Residential Units (ERUs)			4,694
Calculated reimbursement fee - $/ERU		$	9

[1] Source: Dallas records

Stormwater Improvement Fee Calculations

Dallas, Oregon
Storm Water SDC - 2013
Allocation of Storm Water Capital Improvement Projects to Existing and Future Customers[1]

Project Description	Estimated Cost of Improvement in 2012 Dollars	Project Costs		
		Cost Attributed to Existing Demands	Costs Attributed to Future Demands	Total Costs
Monmouth Cutoff Highway – Ash Creek	$1,600,000	$1,200,000	$400,000	$1,600,000
Kings Valley Highway – NE Quadrant	20,000	20,000	0	20,000
Storm Master Plan	100,000	25,000	75,000	100,000
Totals	$1,720,000	$1,245,000	$475,000	$1,720,000

Total Improvement Fee Eligible Costs of Future System Improvements	$475,000
Total Growth in Equivalent Dwelling Units (ERU) (20 year forecast)	446
Calculated Storm Drainage Improvement Fee SDC per ERU	$1,066

Proposed Schedule of Stormwater SDCs

Dallas, Oregon
Storm Water SDC Study - 2012 Update
Proposed Schedule of Storm Water SDCs

	$/ERU
Reimbursement	$9
Improvement	$1,066
Total	$1,075

DALLAS CITY COUNCIL
REPORT

TO: MAYOR BRIAN DALTON AND CITY COUNCIL

City of Dallas	**Agenda Item No. 8 c**	**Topic:** OLCC Application for Temporary Use of an Annual License Approval and Request for Street Closure
Prepared By: Emily Gagner	**Meeting Date:** May 6, 2013	**Attachments:** Yes ■ No ☐
Approved By: Ron Foggin		

RECOMMENDED MOTION:

Motion to recommend approval of the OLCC Application for Temporary Use of an Annual License and approve the request for street closure, provided the applicant provides proof of insurance, including liquor legal liability coverage, naming the City as an additional insured.

BACKGROUND:

Ray Stratton, owner of Tony's Place has submitted an Application for Temporary Use of an Annual License and a Request for Street Closure for a beer garden and motorcycle show on Court Street on May 20 from 5 to 10 p.m. On his application, Mr. Stratton has indicated he will have two DPSST certified doorsmen monitoring the entrances to the event. The Police Department added an addendum to the street closure request noting a concern about the dance studio on Court Street that will have minors entering the business after Mr. Stratton's event begins. Mr. Stratton has suggested adding an additional security person to escort the underage patrons to and from the dance studio. Mr. Stratton also noted he will have two bartenders on duty inside the beer garden to ensure no underage access to alcoholic beverages.

Staff has reviewed the OLCC application and street closure request and recommend the Council approve both.

FISCAL IMPACT:

None

ATTACHMENTS:

OLCC Application and Street Closure Request Form (with Police Addendum)

OREGON LIQUOR CONTROL COMMISSION

APPLICATION FOR TEMPORARY USE OF AN ANNUAL LICENSE

- **FULL ON-PREMISES SALES LICENSE TEMPORARY USE APPLICATION**
  Allows an Oregon Full On-Premises Sales Licensee to sell wine, cider, malt beverages, and distilled spirits for drinking on the special event licensed premises. There is no license fee.
- **LIMITED ON-PREMISES SALES LICENSE TEMPORARY USE APPLICATION**
  Allows an Oregon Limited On-Premises Sales Licensee to sell wine, cider, and malt beverages for drinking on the special event licensed premises. There is no license fee.

Process Time: OLCC needs your completed application to us in sufficient time to approve it. Sufficient time is typically 1 to 3 weeks before the first event date listed in #9 below (some events may need extra processing time).

License Days: In #9 below, you can apply for a maximum of 7 license days per application form. A license day is from 7:00 am to 2:30 am on the succeeding calendar day.

1. My **annual** license is a: ☒ FULL ON-PREMISES ☐ LIMITED ON-PREMISES
2. Licensee Name (please print): RAY STRATTON, LLC
3. Trade Name of Business: TINY'S PLACE **4.** Fax: _____
5. Street Address of **Annual** Business: 127 COURT ST **6.** City: DALLAS
7. Contact Person: RAY STRATTON **8.** Contact Phone: 503.910.7196
9. Date(s) of event: 05.20.13 **10.** Start/End hours of alcohol service: 5pm to 10 pm

LICENSED AREA BOUNDARIES: ORS 471.159 prohibits the OLCC from licensing an area that does not have defined boundaries. OLCC may require the licensed area to be enclosed and may require you to submit a drawing showing the licensed area and how the boundaries of the licensed area will be identified.

11. Address of **Special Event** Licensed Area: COURT ST (Street) DALLAS (City)

12. Identify the licensed area (for example: entire premises; a room within the premises; an area in a park; etc.):
FROM THE INTERSECTION OF MAIN STREET | COURT STREET TO THE ALLEY WAY ON COURT STREET

13. List the primary activities within the licensed area (like: dinner; auction; beer festival; wine festival; food fair; art show; music; patron dancing; sports event; etc.). If entertainment will be offered in the areas where alcohol will be sold or consumed, please describe the entertainment, the times it will be offered, and list the targeted age of attendees:
BIKE SHOW, MUSIC, BBQ, ALCOHOLIC BEVERAGE TASTINGS

14. Will minors and alcohol be allowed together in the same area? ☐ Yes ☒ No

15. What is the expected attendance per day in the licensed area (where alcohol will be sold or consumed)? 100 people

PLAN TO MANAGE THE SPECIAL EVENT LICENSED AREA: If your answer to #15 is 501 or more, in addition to your answers to questions 16, 17, and 18, you will need to complete the *OLCC's Plan to Manage Special Events form* (available on www.oregon.gov/OLCC), unless the OLCC exempts you from this requirement.

16. Describe your plan to prevent problems and violations.
WE HAVE (2) DPSST CERTIFIED DOORSMAN. (1) FOR MAIN ST. (1) FOR ALLEY. WE WILL HAVE (3) BARTENDERS ON DUTY. (1) INSIDE (2) OUTSIDE.

17. Describe your plan to prevent minors from gaining access to alcoholic beverages and from gaining access to any portion of the licensed premises prohibited to minors. THE TWO DPSST CERTIFIED DOORSMEN WILL MONITOR BOTH ENTRY WAYS.

18. Describe your plan to manage alcohol consumption by adults. WE WILL HAVE THREE LICENSED BARTENDERS ON DUTY.

MANAGER AND SERVICE PERMITS: You must name a manager or managers who will be at the special event.

19. List name(s) of on-site manager(s): RAY STRATTON, ERIC CUMFIELD **20.** Contact Phone: 503.910.7196 503.798.8900

21. Service permit number of manager(s): RAY # 404205 / ERIC # 313579

LIQUOR LIABILITY INSURANCE: I certify that I have obtained at least $300,000 of liquor liability insurance coverage for this event as required by ORS 471.168.

22. Insurance Company: SCOTTSDALE **23.** Policy #: CPS1740201 **24.** Expiration Date: 04/01/14

25. Name of insurance agent: KEN WOODS **26.** Agent's phone number: 503.623.8143

FOOD SERVICE: See the attached sheet for an explanation of this requirement.

27. If you will **NOT** provide distilled spirits, name at least two different substantial food items that you will provide:

① _____ ② _____

28. If you are a Full On-Premises Sales Licensee and will provide distilled spirits, name at least five different substantial food items that you will provide:

① BBQ CHICKEN ② BBQ RIBS ③ PULLED PORK ④ BRISKET ⑤ _____

AS WELL AS OUR FULL BAR MENU. (SEE ATTACHED)

29. Licensee Name (please print): RAY A. STRATTON

30. LICENSEE SIGNATURE: _____ **31.** Date: 04/26/13

GOVERNMENT RECOMMENDATION: Once you've completed this form to this point, you must obtain a recommendation from the local city or county named in #32 below before submitting this application to the OLCC.

32. Name the city if the event address is within a city's limits or name the county if the event address is outside the city's limits: _____

CITY OR COUNTY USE ONLY

The city/county named in #32 above recommends:

☐ Grant ☐ Acknowledge ☐ Deny (attach written explanation of deny recommendation)

City/County Signature: _____ Date: _____

FORM TO OLCC: This license is valid only when signed by an OLCC representative. Submit this form to the OLCC office regulating the county in which your special event will happen.

OLCC USE ONLY

Fee Paid: _____ Date: _____ Receipt #: _____

License is: ☐ Approved ☐ Denied

Restrictions:

OLCC Signature: _____ Date: _____

OREGON LIQUOR CONTROL COMMISSION

IDENTIFYING A SPECIAL EVENT LICENSED AREA

The OLCC is prohibited from licensing an area that does not have defined boundaries.

Please complete items 1 – 5 and then use the box below to draw the licensed area.

1. Applicant Name (please print): Ray Stratton L.L.C. DBA Tony's Place

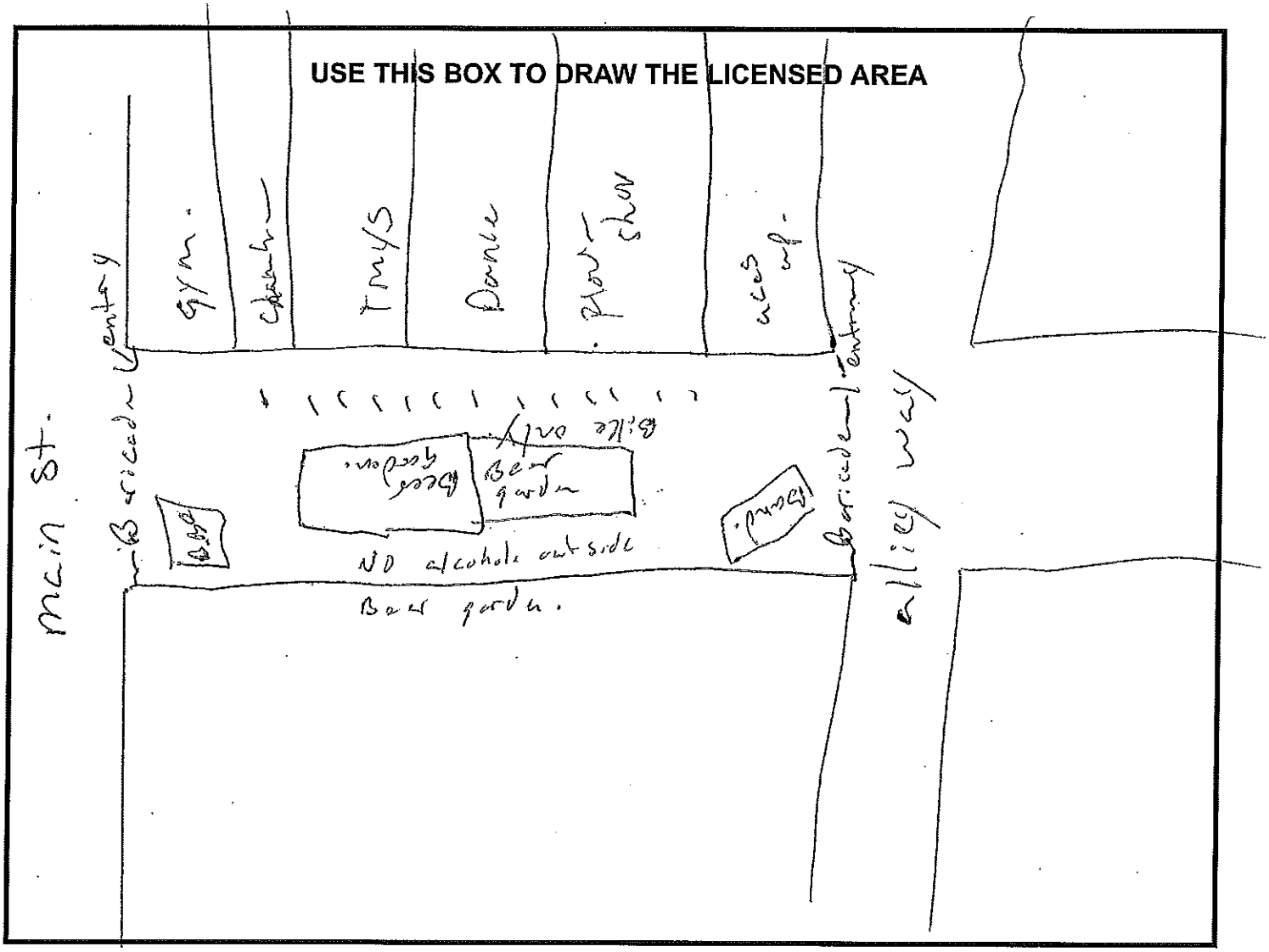
2. Event Street Address: 127 court st.

3. City/County: Dallas Or. Polk.

4. Date(s) of Event: may 20th

5. Please list and describe what barrier(s) will be used to define the boundaries of the licensed area. For example: "A 6 foot high wooden fence." Barriers are provided by the city of Dallas.

USE THIS BOX TO DRAW THE LICENSED AREA



MENU

Chicken Tenders & Fries $6.50

Fish & Fries $6.50

Egg Rolls & Fries $5.25

Jalapeno Poppers $5.00

Mozzarella Sticks $5.00

Biscuits & Gravy $2.50

½ Bisquits & Gravy $1.50

SERVED ALL DAY

THE CITY OF DALLAS OREGON

REQUEST FOR STREET CLOSURE

Applicant's Name: TINY'S PLACE

Applicant's Address: 127 COURT STREET

Applicant's Phone: 503 · 910 · 7196

Date of Closure: 05 · 20 · 2013

Reason for Request: BIKE SHOW

Please describe the location of the street(s) you are requesting to close: INTERSECTION OF COURT STREET / MAIN ST TO ALLEY WAY ON COURT ST.

Request closure from: 5:00 ☐ AM ☑ PM to: 10:00 ☐ AM ☑ PM

_____ I have contacted everyone on my street within the proposed closure and there are no concerns. *Please submit a letter with signatures from each neighbor.*
initial

_____ I agree to provide immediate access to emergency vehicles if required.
initial

_____ I will only use barricades provided by the City of Dallas. *Someone from Public Works will contact you at the above phone number.*
initial

_____ 04/25/13
Applicant's Signature Date

Please submit this form to the Police Department for initial review. Other City Departments will review the request and forward the request to the City Manager's office with their recommendation. The City Manager does have the right to attach conditions to any request he approves.

INTERNAL USE ONLY

Police Department Review:
We have reviewed the request and ☒ DO have concerns ☐ DO NOT have concerns.

Reason: PLEASE SEE ATTACHED ADDENDUM Initial: JM

Fire Department Review:
We have reviewed the request and ☐ DO have concerns ☐ DO NOT have concerns.

Reason: _____ Initial: _____

Public Works Department Review:
We have reviewed the request and ☒ DO have concerns ☐ DO NOT have concerns.

Reason: Area must be cleaned up after event Initial: EG for Jason

City Manager's/Risk Management Review:
We have reviewed the request and ☒ DO have concerns ☐ DO NOT have concerns.

Reason: Must have proof of ins, including liquor legal liability coverage, naming The City as an additional insured. Initial: EG

Application Approved: ☐ YES ☐ NO

Chief of Police

Date

To Whom It May Concern:

This letter is to confirm I have contacted the listed businesses below regarding the proposed closure on May 20, 2013 and there are no concerns.

Listed below each business has signed stating their awareness of the Bike Event taking place.

Jungle Gym _____

Chamber _____

Aces Up _____

Worlds Gym _____

Ballet Studio _____

Heart Strings & Flowers _____

Computer Place _____

Thank you,

Ray Stratton, Owner

ADDENDUM to Request for Street Closure
From the police department:

The OLCC application attached to this request notes the licensed area will be on Court Street, from Main to the alley. (Sec. 12) It also states the plan to prevent minors from gaining access to any portion of the licensed premises prohibited to minors will be one DPSST certified doorman posted at both entry ways (Main/Court and Alley/Court). (Sec. 17) There is a dance studio inside of this defined area which routinely operates after 5:00pm.

On 4/30/2013, I spoke with the owner of the dance studio. She confirmed that her business will be open after 5:00pm on the date in question. She also clarified that she plans to tell her patrons they can park elsewhere, but would still need access to the front door by foot. She confirmed that the majority of her customers are minors. She said she did agree (with the applicant) to the closure and understood that her patrons would need to park elsewhere for this one evening; however, she does expect them to be able to access the front of her business on foot. Her patrons—some of whom are minors—will need to pass the posted barriers into the "licensed area" for entry to, or egress from, the studio.

On 4/30/2013, I also spoke with applicant regarding this concern. He confirmed his original intention was that no minors be allowed into the licensed area. He thought the dance studio told him their patrons would come and go through their back door. Applicant suggested him might consider having an additional security person to escort underage patrons to and from the dance studio. He added the two bartenders on duty inside the beer garden would be added protection to ensure no underage access to alcoholic beverages.

Once this concern is adequately addressed, there are no additional concerns.

T. Simpson
Dallas PD

DALLAS CITY COUNCIL
REPORT

To: DALLAS CITY COUNCIL

City of Dallas	**Agenda Item No. 10 a**	**Topic:** Ordinance 1756 - Garage Sale Permit Fee
Prepared By: Emily Gagner	**Meeting Date:** May 6, 2013	**Attachments:** Yes ■ No ☐
Approved By: Ron Foggin		

RECOMMENDED MOTION:

Adopt Ordinance 1756

BACKGROUND:
The City of Dallas requires a garage sale permit for the purpose of a public sale. The City also provides one sign per permit with a $15 deposit. The deposit is refunded upon return of the sign.

Calendar year 2012 the finance office issued 676 permits. The signs cost approximately $70 each. Even though it is emphasized to the customer that the sign must be returned with no tape residue and clean, the finance personnel cleans the signs when needed. Code enforcement also spends a majority of the summer enforcing the garage sales.

Due to excessive staff time and material costs, staff recommends a $5.00 charge per garage sale permit. A deposit would still be required for the signs. The City of Monmouth charges $8.00 for a permit and the City of Stayton charges $5.00 for a permit. Neither city provides signs.

At the March 25, 2013, Administrative Committee meeting, the committee discussed at length setting the fee to cover some of the staff costs and cost and maintenance of the signs (see March 25, 2013, Administrative Committee minutes). The committee recommended an $8.00 permit fee with the continuance of the $15.00, refundable sign deposit.

At the April 1, 2013, City Council meeting, the Council, after lengthy discussion, voted 5-4 to move the ordinance forward for a first reading.

At the April 15, 2013, City Council meeting, the Council once again held a lengthy discussion, and ultimately allowed the ordinance to pass its first reading and move it forward to the May 6 meeting for a vote. The resolution establishing the fee amount is later on the agenda.

FISCAL IMPACT:

GF Revenue - approx $3,300

ATTACHMENTS:

Ordinance 1756

ORDINANCE NO. 1756

An Ordinance amending Dallas City Code Section 7.530, relating to garage sales.

THE CITY OF DALLAS DOES ORDAIN AS FOLLOWS:

Section 1. Dallas City Code Section 7.530 is hereby amended in its entirety to read as follows:

7.530 Permit Fee.

The city council may, by resolution, establish a fee for a garage sale permit.

Read for the first time: April 15, 2013
Read for the second time: May 6, 2013
Adopted by the City Council: May 6, 2013
Approved by the Mayor: May 6, 2013

_____
BRIAN W. DALTON, MAYOR

ATTEST:

_____
RONALD W. FOGGIN,
CITY MANAGER

APPROVED AS TO FORM:

_____
LANE P. SHETTERLY,
CITY ATTORNEY

DALLAS CITY COUNCIL
REPORT

TO: MAYOR BRIAN DALTON AND CITY COUNCIL

City of Dallas	**Agenda Item No. 11 a**	**Topic:** Res No. 3267 – Garage Sale Permit Fee
Prepared By: Emily Gagner	**Meeting Date:** May 6, 2013	**Attachments:** Yes ■ No ☐
Approved By: Ron Foggin		

RECOMMENDED MOTION:

If Ordinance 1756 is adopted, adopt Resolution 3267.

BACKGROUND:

If the Council adopts Ordinance 1756, it will allow the City to implement a fee for garage sale permits. This resolution establishes what those fees would be.

FISCAL IMPACT:

Approx $3,300 in GF Revenue annually

ATTACHMENTS:

Resolution No. 3267

RESOLUTION NO. 3267

A Resolution establishing the fee for a garage sale permit pursuant to Dallas City Code Section 7.530; and repealing Resolution 3212.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. Except as provided in Section 2, the fee payable to the City of Dallas under Dallas City Code Section 7.530 for a permit for a garage sale shall be $8.

Section 2. Where application for a permit for a garage sale is made after commencement of the garage sale, the fee payable under Section 7.530 shall be $15.

Section 3. Resolution 3212 is repealed on the effective date of this resolution.

Section 4. This resolution shall be effective May 14, 2013.

Adopted: April 15, 2013
Approved: April 15, 2013

_____
BRIAN W. DALTON, MAYOR

ATTEST:

_____
RONALD W. FOGGIN,
CITY MANAGER

APPROVED AS TO FORM:

_____
LANE P. SHETTERLY,
CITY ATTORNEY

DALLAS CITY COUNCIL
REPORT

TO: MAYOR BRIAN DALTON AND CITY COUNCIL

City of Dallas	**Agenda Item No. 11 b**	**Topic:** Budget Transfer Resolution 3268
Prepared By: Cecilia Ward	**Meeting Date:** May 6, 2013	**Attachments:** Yes ■ No ☐
Approved By: Ron Foggin		

RECOMMENDED MOTION:
Approval of Budget Transfer Resolution 3268

BACKGROUND:
Oregon Budget Law allows for unanticipated changes to the budget throughout the fiscal year. ORS 294.463 allows for appropriation transfers which includes intra-and inter-fund transfers between appropriation categories and contingency transfers. Appropriation transfers require a budget resolution.

Following are the necessary transfers:

General Fund:

From:	To:	Purpose:	Amount:
Contingency	Ambulance - Personnel Services	Cover personnel costs due to full-time turnover.	$ 30,000

Note: The Ambulance Department had three full time people leave this fiscal year, therefore, the department had to pay accrued leave, cover full-time shifts and provide coverage for new employee training.
Appropriation impact:
Decrease General Fund-Contingency budget from $205,400 to $175,400
Increase Ambulance-Personnel Services budget from $904,000 to $934,000

Fleet Management Fund:

From:	To:	Purpose:	Amount:
Capital Outlay-Equipment	Materials and Services-Parts	Unanticipated vehicle repairs.	$ 10,000

Note: Equipment costs were lower than anticipated.
Additional vehicle repairs, for the most part, were due to the repair of a fire truck.
Appropriation impact:
Decrease Capital Outlay-Equipment budget from $38,000 to $28,000
Increase Materials and Services-Parts budget from $65,000 to $75,000

FISCAL IMPACT:
General Fund: ($30,000)
Fleet Management Fund: 0 (transfer of appropriation in same department)

ATTACHMENTS:

Budget Resolution

RESOLUTION NO. 3268

A Resolution authorizing the transfer of budgetary funds.

WHEREAS, it is necessary to transfer the appropriation authority of $30,000 from the General Fund, Operating Contingency, to the General Fund, Ambulance Department, for unanticipated personnel services; and

WHEREAS, it is necessary to transfer the appropriation authority of $10,000 from the Fleet Management Fund, Capital Outlay-Equipment , to the Fleet Management Fund, Materials and Services-Parts, for unanticipated vehicle repairs;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That the City Manager be, and he hereby is, authorized and directed to transfer the appropriation authority of $30,000 from the General Fund, Operating Contingency, to the General Fund, Ambulance Department.

Section 2. That the City Manager be, and he hereby is, authorized and directed to transfer the appropriation authority of $10,000 from the Fleet Management Fund, Capital Outlay-Equipment, to the Fleet Management Fund, Materials and Services-Parts.

Section 3. This Resolution shall be effective upon its passage.

Adopted: May 6, 2013
Approved: May 6, 2013

_____
BRIAN W. DALTON, MAYOR

ATTEST:

_____
RON FOGGIN, CITY MANAGER

APPROVED AS TO FORM:

_____
LANE P. SHETTERLY,
CITY ATTORNEY

DALLAS CITY COUNCIL
REPORT

TO: MAYOR BRIAN DALTON AND CITY COUNCIL

City of Dallas	**Agenda Item No. 11 c**	**Topic:** Res No. 3269 – PW Fees for Services
Prepared By: Emily Gagner	**Meeting Date:** May 6, 2013	**Attachments:** Yes ■ No ☐
Approved By: Ron Foggin		

RECOMMENDED MOTION:

Adopt Resolution 3269.

BACKGROUND:

Current fees for Water, Sewer and Storm connections were established in October of 2008 per Resolution 3171. Due to a continued increase in material costs and changes in construction standards/specifications, staff has recalculated the fees to cover current costs. Staff also recommends indexing the costs to the Portland Regional Area's ENR (Engineering News Record) CCI (Construction Cost Index) so that future adjustments can be made to keep fees in line with actual costs.

At the April 22 Public Works Committee meeting, the Committee voted unanimously to recommend the Council adopt these changes to the fees.

Because the water, storm, and sewer connection fees were just one of many fees included in Resolution 3171, and to avoid any confusion having Public Works fees included in several resolutions, Resolution 3269 includes the other fees (in the same amounts) that were in Resolution 3171, with the exception of the overwidth driveway permit and the tree removal permit fees, which were obsolete.

FISCAL IMPACT:

Cost recovery

ATTACHMENTS:

Resolution No. 3269

RESOLUTION NO. 3269

A Resolution establishing a schedule of fees to be paid for certain Public Works Department services and permits; and for sanitary sewer and water connection; and repealing Resolution No. 3171.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1: The following fees shall be charged by the Public Works Department for the services or permits indicated:

(A) Construction Specifications: $50.00

(B) Commercial Plan Review and Inspection:

$0 to $1500.00 valuation	$50.00
$1501.00 to $50,000 valuation	$50.00, plus 3 percent of value over $50,000
Over $50,000 valuation	$1500.00, plus 2 percent of value over $50,000.00

Valuation is based on an approved engineer's estimate of the public improvement cost.

(C) Residential Plan Review and Inspection Fee: $200.00 per lot

(D) Subdivision Plan Review: The greater of $25.00 per lot or $500.00

(E) Subdivision Inspection Fee:

$0 to $1500.00 valuation:	$50.00
$1501.00 to $50,000.00 valuation:	$50.00, plus 3 percent of value over $50,000.00
Over $50,000 valuation:	$1500.00, plus 2 percent of value over $50,000.00

Valuation is based on an approved engineer's estimate of the public improvement cost.

(F) Encroachment Permit for Temporary Use or Construction Within Right-of-Way:

Non-construction items:	$25.00

Construction items:

Sidewalk repair/replacement	No charge
$0 to $1500.00 valuation:	$50.00
$1501.00 to $50,000.00 valuation:	$50.00, plus 3 percent of value over $50,000.00
Over $50,000 valuation:	$1500.00, plus 2 percent of value over $50,000.00

Valuation is based on an approved engineer's estimate of the public improvement cost.

(G) Grading Permit:

50 cubic yards or less:	$50.00
51 to 200 cubic yards:	$175.00
210 to 1000 cubic yards:	$275.00, plus $30.00 for each additional 100 cubic yards or fraction thereof over 200 cubic yards
1001 to 10,000 cubic yards:	$525.00, plus $25.00 for each additional 1000 cubic yards or fraction thereof over 1000 cubic yards
10,001 to 100,000 cubic yards:	$750.00, plus $120.00 for each additional 10,000 cubic yards or fraction thereof over 10,000 cubic yards

More than 100,000 cubic yards: $1850.00

(H) Tree Removal Permit: No charge

(I) Sidewalk Permit: See Section 1(G)

(J) Weed Abatement: $90.00 per hour

(K) Fire Hydrant Meter: $100.00 to set, plus $50.00 per month, plus water usage

Section 2: The following fees shall be charged for sanitary sewer connection:

(A) Subdivisions:

Storm or Sewer Lateral: No charge

Storm or Sewer Main: No charge

(B) Inside Assessment Areas:

Storm or Sewer Lateral: $3500.00

Storm or Sewer Main: No charge

(C) Outside Assessment Areas:

Storm or Sewer Lateral: $3500.00

Storm or Sewer Main: Actual cost, plus 15%

Section 3: The following fees shall be charged for water connection:

(A) Subdivisions:

3/4-inch Water: $475.00

1-inch Water: $650.00

Greater than 1-inch Water: Actual cost, plus 15 percent

(B) Inside Assessment Areas:

3/4-inch Water:	$1100.00
1-inch Water:	$1275.00

Greater than 1-inch Water: Actual cost, plus 15 percent

C) Outside Assessment Areas:

3/4-inch Water:	$4800.00
1-inch Water:	$4975.00

Greater than 1-inch Water: Actual cost, plus 15 percent.

Section 4. The rates established under Sections 2 and 3 of this Resolution shall be adjusted annually on June 1 of each year, beginning June 1, 2014, according to the change in the Portland, Oregon Regional Area's ENR (Engineering New Record) CCI (Construction Cost Index) for the period from January 1 to December 31 of the preceding year.

Section 5: Upon the effective date of this Resolution, Resolution No. 3171 is repealed.

Section 6: This Resolution shall take effect on passage.

Adopted: May 6, 2013
Approved: May 6, 2013

_____
BRIAN W. DALTON, MAYOR

ATTEST:

_____
RONALD W. FOGGIN,
CITY MANAGER

APPROVED AS TO FORM

_____
LANE P. SHETTERLY,
CITY ATTORNEY

DALLAS CITY COUNCIL
REPORT

TO: MAYOR BRIAN DALTON AND CITY COUNCIL

City of Dallas	**Agenda Item No. 11 d**	**Topic:** Res No. 3270 – False Alarm Response Fees
Prepared By: Emily Gagner	**Meeting Date:** May 6, 2013	**Attachments:** Yes ■ No ☐
Approved By: Ron Foggin		

RECOMMENDED MOTION:

Adopt Resolution 3270.

BACKGROUND:

Dallas City Code 5.257 allows the Council to adopt fees for false alarm responses. These proposed fees were discussed at the April 22 Public Safety Committee meeting. The Committee voted unanimously to recommend the Council adopt these false alarm response fees.

FISCAL IMPACT:

Minimal increase in GF Revenue

ATTACHMENTS:

Resolution No. 3270

RESOLUTION NO. 3270

A Resolution amending fees for false fire and police alarm responses; and repealing Resolution 2634.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. The fees for false fire and police alarms authorized by Dallas City Code Section 5.257 are as follows, classified by type of property:

	Residential	Commercial
First and Second False Alarm in any 12-month period	No charge	No charge
Third False Alarm in any 12-month period	$50	$250
Fourth False Alarm in any 12-month period	$100	$500
Fifth and subsequent False Alarms in any 12-month period	$150	$1000

Section 2. Resolution 2634 is hereby repealed.

Adopted: May 6, 2013
Approved: May 6, 2013

_____
BRIAN W. DALTON, MAYOR

ATTEST:

APPROVED AS TO FORM

_____
RONALD W. FOGGIN,
CITY MANAGER

_____
LANE P. SHETTERLY,
CITY ATTORNEY